FBIS DAILY REPORT

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ECONOMY, FINANCE MINISTER ANNOUNCES NEW MEASURES

PY020301 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0052 GMT 1 Jun 81

[Text of speech by Economy and Finance Minister Lorenzo Sigaut, delivered on 1 June in Buenos Aires]

[Text] Ladies and gentlemen: On the occasion of announcing readjustment measures to maintain the coherence of the economic program which is known to the country, I want to stress some points. Among these are the announcements made 60 days ago, the persisting problems, the responses we have worked out in the past 60 days, the answers we have received from the country over the same period, and lastly, the way we plan to deal with critical situations in some sectors.

Sixty days ago we announced a program aimed at reactivating regional economies, production in the wet pampa region, and industrial activity.

The program was also intended to correct the negative trend in the current account of the balance of payments and entice the entry of long-term capital.

It also tried to consolidate the country's international reserves at an appropriate level to facilitate the expansion of the economy and to strengthen the nation's decisionmaking capability.

The program envisioned compensating workers gradually, as the recovery of economic activity and increased productivity permitted.

It tried to open a broad and flexible exchange prospect, still explicit enough to guide businessmen's decisionmaking and to discourage speculative attitudes and activities.

We tried to make public expenditure consistent with fiscal deficit and Central Bank credit, all in line with the exchange policy.

We endeavored to reduce interest rates by creating conditions in which the cost of money would not hinder the growth of the economy and enterprise and would ensure reasonable profit margins for money savers.

Finally, we had to pay attention to the critical financial situation of companies and to truly revamp the financial system, within a monetary scheme compatible with the economic program we set in motion.

What economic problems persist 60 days into the second phase of the national reorganization process in our area of responsibility?

The most important ones--although there are others--are the following:

First: Notoriously recessive tendencies in important sectors.

Second: Improvement in the balance of trade, but a deficit in the current account of the balance of payments.

Third: Reduction in the demand for labor, with increasing unemployment which, although starting from a low level, has doubled between October 1980 and April 1981.

Businessmen are confronting a very complex situation, particularly in the agricultural and industrial areas, due to high indebtedness and high interest rates.

Salaries which have partially recovered over the last 2 years show signs of decreasing in consonance with increasing unemployment.

What solutions have we worked out over the last 60 days?

First: A monetary program consistent with the fiscal program, with the exchange measures initially adopted and with the subsequent pace of monthly readjustment in foreign exchange.

Second: A program for the public sector, which is shrinking expenditures in real terms and holding the level of the deficit to 1981 budget provisions.

Third: A substantial improvement in the real exchange rate to the point that, technically speaking, we have recovered most of the pre-existing overvaluation of the peso, thus improving export possibilities and hindering import operations.

Fourth: The promotion of regional programs (in Patagonia, for instance), specific activities (fishing, winemaking and others), and assistance in emergency situations.

Fifth: A program for the recovery, over a period of time, of minimum salaries and basic collective bargaining salaries, a program to be made public soon.

Sixth: A program of foreign indebtedness for the public sector.

Seventh: Rules for streamlining and strengthening the financial system.

Eighth: Expansion of the monetary system stemming from:

A) Lines of rediscount to extend the deadline of liabilities which have run into technical-operational difficulties in their first phase (there are three phases), difficulties we intend to correct.

B) Capitalization and rediscount lines for a total of 21 provincial banks, according to a timetable which has been adopted for the situation in the Chaco, Mendoza and San Juan provinces.

C) Lines of capitalization and rediscount for the National Development Bank (BANADE) to assist enterprises--not businessmen--with difficulties in their programs, including large, medium and small enterprises.

Ninth: Lines of credit to provide incentive for planting--exceptional credit lines--and for maintenance of stocks of calf-bearing cows to prevent thinning of herds.

In the fourth part of my speech, I want to tell the people what this ministry has observed to be the solution for the nation.

The impression is that generally, the measures are pointed in the right direction, but their effects are still unsatisfactory. Obviously this is so because all measures have not yet been fully implemented, but even if they had been, the effects would be insufficient because economy is the science of scarcity. The momentum of the recessive process has not yet been reversed by the reactivation measures adopted so far.

As far as prices are concerned, we had the expected results in April and a slowdown in the rate of increase of wholesale prices in May to half the amount expected. Therefore, the rate of exchange readjustment which took place, plus imported inflation, did not fall behind, but has recovered, although very slightly, of course. The apocalyptic predictions regarding price increases in April and May did not materialize, although there were some increases that were not very small.

Regarding the external sector and interest rates, the response was excellent during the first 30 days of the announced program. But factors not inherent to the economic program, or perhaps some flaws in the program itself, changed that pattern and some critical situations developed.

In the fifth part of my speech I want to refer to what are we going to do to cope with these critical situations.

We will reactivate enterprises and production machinery, revamp the financial system, reduce the state's influence on the national economy, reestablish a balance in the external sector, curb and reverse recessive trends and, in that context, promote employment. All of this is not an easy task. I was forewarned at the time that I was given the data necessary to understand the situation and to draft solutions compatible with the fundamental objectives of the national reorganization process.

The current situation makes it mandatory to tune up the instruments to attain the proposed objectives, but without altering the coherence of the economic program which we set in motion in the first 60 days of administration.

After a thorough analysis of possible courses of action, we have decided, effective tomorrow, Tuesday 2 June, to devaluate the peso by 30 percent, without any compensatory measure.

Thus, in a short period of time, we are completing the elimination of the pronounced overevaluation of our currency as it stood 4 months ago.

This way, nobody with good sense can again say that the Argentine peso is overevaluated. As of tomorrow, this measure will undervalue the peso.

The June adjustment will be 6 percent and the real exchange rates or parity values attained by late June will be observed in the following months.

As I am convinced that this timetable will be followed, the government will guarantee an exchange parity for credits which the private sector wants to contract for more than 18 months.

The terms of financing and prefinancing nontraditional exports will also be improved.

Furthermore, the situation of enterprises with debts in foreign currency which were contracted between 1 January and 29 May 1981 will be contemplated according to provisions to be made public.

Moreover, all necessary precautions will be adopted to definitely accelerate the availability of real and proper rediscount lines for enterprises.

Traditional and nontraditional exports will increase the income of the exploiting sector, thus yielding solid perspectives that will contribute to revamping the domestic economy and also the agricultural and industrial sectors, which will experience an expansion of their economic horizons.

Imports, on the other hand, will decrease to the proper levels that the country needs.

We believe that the commercial balance, which showed a deficit at the beginning of the year and was later balanced as a result of the readjustment in April, will register a surplus as a result of the present measures.

In addition to entering foreign markets under better conditions, domestic production will take the place of imports, thus making an additional contribution to the reactivation process and employment.

Excessive expenses caused by tourism and other foreign service will experience an additional restraint, thus significantly improving the daily transactions of our balance of payments for the rest of 1981.

What is more, a solid exporting sector will contribute to eliminating tensions in the exchange market and this will result in a more reasonable evolution of interest rates.

We are thus giving additional thrust to the present reactivation program. This will be initially perceived with more emphasis in the agricultural sector of the humid pampas, in regional economies and production, and in industrial transformation activities [actividades de transformacion industrial]. In the next few months this will counteract the present recessive trend, thus directly affecting those services that mobilize, change, store and trade primary and manufactured goods, and the employment level, which has deteriorated in the last 6 months. This will be a priority action, but will not be a detriment to enforcing the proper salary readjustments that will help maintain the coherence of the established program.

The budget, monetary and tariff objectives will be compatible with the goals established on 1 April to reassert the preestablished objectives in keeping with the magnitude of the fiscal deficit and with the level of domestic economic activity.

Today the country demands a revamping of its production potential and stability. The measures that have been adopted are in keeping with this situation, but to be successful in this undertaking I appeal to all Argentines:

1. To make a great effort and sacrifices.

2. As many have already stated, to have a productive economy and not one of speculation.

3. To make constructive criticisms and to make suggestions, but not to create confusion.

4. To put national interests before the interests of one sector.

And finally, I request understanding and solidarity so that all of us may be successful.

SOVIETS SUBMIT BIDS FOR YACYRETA TURBINES

PY021622 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2220 GMT 1 Jun 81

[Text] Buenos Aires, 1 Jun (NA)--The top-ranking directors of the Soviet enterprise Energomasheksport concluded their 13-day visit to Argentina today and again demonstrated their interest in participating in equipping the Argentine-Paraguayan Yacyreta Hydroelectric Project that is being built on the Parana River, approximately 1,200 km north of here.

Vladimir Pavlov, a director of the Soviet state enterprise, said this afternoon to reporters at Ezeiza Airport that they had submitted an offer to supply Yacyreta's turbogenerators and that they were now waiting for an answer.

He was not able to say whether the possible granting of the bid to the Soviet enterprise for the supply of the Yacyreta turbines would be one of the subjects to be studied by an Argentine-Soviet trade commission that will meet soon in Moscow.

"I do not know whether they are going to bring up this subject in the commission," he said when asked whether the granting of the bid to supply the Yacyreta turbines would balance bilateral trade, which last year surpassed $1.8 billion.

Pavlov indicated that "we are interested, we have submitted our offer and we are now waiting for an answer from the Yacyreta Binational Enterprise," the organization that is charged with the construction of the hydroelectric complex.

Pavlov arrived on 19 May in the company of Aleksandr Gavrilov, a deputy director of Energomashksport, and during their stay they visited the Argentine-Uruguayan dam of Salto Grande, which was built on the Uruguay River, 460 km northeast of here. The turbines for this hydroelectric complex were supplied by this Soviet firm.

AUTHORITIES DETAIN TRUCKS BOUND FOR CHILE

PY011824 Buenos Aires HERALD in English 1 Jun 81 p 9

[Excerpts] Mendoza (NA)--About 150 brand-new Brazilian lorries and buses destined for Chile are being held up at the border because the vehicles are considered of "strategic value," transport firm sources claimed here yesterday.

The vehicles were built by General Motors and Fiat in Brazil, and were being driven to Chile by Brazilian chauffeurs. The worth of the vehicles has been estimated at $1.5 million. But 10 Brazilian buses were allowed to cross into Chile on their way to Peru in the last few days, sources said.

AT LEAST 5 CANDIDATES TO COMPETE FOR PRESIDENCY

PY022030 Paris AFP in Spanish 1709 GMT 1 Jun 81

[Text] La Paz, 1 Jun (AFP)--At least five candidates will compete to be elected Bolivian president by a military college which will meet in this capital tomorrow, with the participation of the commanders of large and small units and military institutes.

Gen Lucio Anez, army chief of staff, in statements made in Santa Cruz, disclosed that the election will be made through the votes cast by the commanders of large and small units and the heads of the military institutes and lyceums.

The new Democratic Organization for Solidarity With the Armed Forces of the Nation (ORDESFAN), through a paid advertisement yesterday, in an indirect manner advocated Gen Luis Garcia Meza continuing to serve as president of the country.

The ORDESFAN, headed by former Interior Ministry Under Secretary Daniel Salamanca, stated that Garcia Meza is and will continue to be the leader of the national reconstruction process which started with the 17 July 1980 coup.

Moreover, four other military officers--Army Commander Gen Humberto Cayoja Riart, Air Force Commander Gen Waldo Bernal Pereira, Army Chief of Staff Gen Lucio Anez and Col Faustino Rico Toro, commander of the military school--in the last few hours made speeches or statements apparently aimed at obtaining the support of the military electorate.

In this regard, Cayoja Riart, during a lengthy interview, stated that we cannot go without political parties, but that they should be serious and responsible. This last is a requirement which they do not fulfill at present.

The army commander received external support from former President Walter Guevara Arce who, after meeting with authorities of the Department of State, stated in Washington that Coyoja is well known by the U.S. Government.

Bernal Pereira appears to be the one who will continue with Garcia Meza's task in the event that the latter is not reelected by the military college.

On his return from Taiwan, the air force commander called repeatedly for unity among the military and civilians as well as rejecting any possibility of returning to a traditional democracy. He described traditional democracy as invalid and a promoter of social and economic disorder.

Army Chief of Staff Lucio Anez, on the other hand, referred to the need to open a democratic process after an administrative reorganization is carried out.

Anez tried to establish a difference between himself and the military officers who led the 17 July coup by stating that the recent changes in the higher military echelons will allow U.S. diplomatic recognition, suggesting that Garcia Meza and his main aides have not yet achieved this recognition.

Col Faustino Rico Toro, commander of the military school, took advantage of the speech he made when he was sworn into this post to refer to the urgent need for independent industrialization, but voiced his support for a national majority and not for privileged groups.

Rico Toro appears to be the person to continue the process headed by Gen Alfredo Ovando Candia, between 1970-71 when the state-owned mineral smelting plants were designed and installed and when petroleum production, which was in the hands of Gulf Oil Company, was nationalized.

From the point of view of the government junta statutes, the Presidency will go to Gen Bernal Pereira since the air force commander would occupy this post in the event that Garcia Meza should resign. However, General Anez, reasserting his plans to achieve changes within the government leadership, pointed out that military leadership has the power to change the regulations.

According to what was learned, the meeting will also be engaged in filling important vacancies in the armed forces higher echelons.

In this regard, a new armed forces joint chief of staff should be appointed since Gen Eden Castillo Galarza has been retired for having been involved in the 18 May revolt against Garcia Meza.

A navy chief of staff will also be appointed since Rear Adm Tomas Orozco, who occupied this post, is outranked by Navy Capt Oscar Pammo, who was appointed commander of the navy to replace Vice Adm Ramiro Terrazas.

It would be redundant to point out that the national expectation regarding the military meeting is enormous. It could represent another turning point in the invariably restless history of the country.

It could be asserted that the great powers, the hundreds of Bolivians in exile abroad, the governments of neighboring countries and the citizenship are watching the chimney of the Miraflores army headquarters expecting to see the white smoke which will announce the election of the new Bolivian president.

MIR PROPOSES NATIONAL CONVERGENCE AGREEMENT

PY290350 Paris AFP in Spanish 0115 GMT 28 May 81

[Text] Caracas, 27 May (AFP)--Bolivia's Movement of the Revolutionary Left (MIR) has proposed a national convergence agreement for the country, to be reached through the establishment of a broadly supported civilian-military government with the purpose of overcoming the Bolivian crisis, according to a document delivered to AFP.

The document includes as a prior condition the overthrow of Gen Luis Garcia Meza's government. Garcia Meza announced yesterday that on 6 August he would turn over the Presidency to the Bolivian Armed Forces.

According to the Bolivian MIR, this national democratic convergence agreement should create appropriate conditions for all Bolivians who are willing to undertake the task of delivering their country from national disaster.

The MIR pointed out that the civilian-military government proposed in this agreement should guarantee the full enforcement of the nation's constitution, as well as complete freedom to develop labor union and political activities, respect for human rights and the improvement of the people's standard of living.

It also said that a firm and stable democratic institutionalization process should be planned, permitting the overcoming of the serious economic crisis and the moral improvement of the public administration.

The document stressed that the MIR makes this proposal in memory of its leaders assassinated 15 January. The document is signed by members of the Bolivian MIR's National Board, Alfonzo Camacho Pena and Gaston Encinas Valverde.

REACTION TO ARGENTINE DEVALUATION REPORTED

Finance Minister Comments

PY022352 Brasilia Domestic Service in Portuguese 2200 GMT 2 Jun 81

[Text] Brazilian Finance Minister Ernane Galveas termed the decision by the Argentine Government to readjust the exchange rate of its currency by implementing a maxidevaluation of 30 percent realistic and indicated that this measure was aimed at strengthening the Argentine economy. He said that it will benefit the trade between Brazil and Argentina.

According to the Brazilian Finance Ministry, Argentina had experienced a long period of unrealistic exchange rate policy. The schism between inflation and the exchange rate had stimulated imports artificially, making it very difficult for the country to maintain this situation any longer, he said.

Brazilian Products 'Blockaded'

PY021836 Porto Alegre Radio Guaiba in Portuguese 1545 GMT 2 Jun 81

[Text] As of today, a great majority of the Brazilian products sold to Argentina have met a blockade in the Argentine market. This comes as a consequence of the maxidevaluation decreed yesterday by the Buenos Aires authorities.

BRIEFS

CACEX EXPORT FIGURES--Rio de Janeiro, 11 May (AFP)--The Brazilian Foreign Trade Department (CACEX) has issued a report which discloses that during the first 3 months of 1981, Brazilian exports of raw materials amounted to 24,965,921 tons worth $2,137,814,000 compared to $1,525,013,000 during the same period in 1980; and exports of industrialized goods amounted to 2,538,398 tons worth $3,042,028,000, compared to $2,592,093,000 during 1980. Brazilian exports during the first 3 months of 1981 increased by 25.81 percent compared to the same period in 1980, an increase of $1,063,000,000. During this period, Brazil exported soybean meal worth $464,000,000, mineral ore worth $455,000,000, coffee worth $453,000,000. coarse sugar worth $192,000,000, shoes worth $141,255,000 and automobiles worth $75,229,000. [Paris AFP in Spanish 0315 GMT 12 May 81 PY] Rio de Janeiro, 18 May (AFP)--During the first 3 months of this year, Brazil exported 20,605,366 tons of mineral ore worth $445,431,000, compared to 18,499,636 tons worth $343,911,000 during the same period in 1980. The average price per ton of exported mineral ore in 1981 was $21.62, compared to $18.59 during the first 3 months in 1980. [Paris AFP in Spanish 0127 GMT 19 May 81 PY] Rio de Janeiro, 18 May (AFP)--During the first 3 months of 1981, Brazil exported 87,133 tons of pig iron worth $12,633,000, compared to 281,201 tons worth $39,550,000 during the same period in 1980. This year the average price per ton was $144.99, compared to $140.65 during the same period last year. [Paris AFP in Spanish 0129 GMT 19 May 81 PY]

STATE'S DEBT TO PRIVATE SECTOR--The debt of state-owned enterprises to the private sector is now 210 billion cruzeiros. A special adviser of the Planning Ministry added that the debt is mainly to suppliers of equipment. The adviser explained that despite the government's intentions of paying off the debt by July this year, this has not been possible since the growth of the debt could not be stopped because one cannot simply paralyze necessary projects. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 30 May 81 PY]

LEFTIST WEEKLIES' ISSUES SEIZED--Brasilia, 14 May (LATIN-REUTER)--Last night the Brazilian federal police, following government orders, seized the left-leaning weeklies MOVIMIENTO from Rio de Janeiro and HORA DEL PUEBLO from Sao Paulo. These issues apparantly carried insulting articles against the constituted authorities, aimed at discrediting them before public opinion. [Buenos Aires LATIN in Spanish 1655 GMT 14 May 81 PY]

GOVERNMENT DENIES SUPPORT TO SALVADORAN JUNTA

PY021513 Paris AFP in Spanish 1328 GMT 2 Jun 81

[Text] Santiago, 2 Jun (AFP)--It was asserted here today that Chile does not provide and will not provide military support to the Salvadoran Government junta.

A reliable source of the Defense Ministry has thus denied a report published in a U.S. magazine, which stated that Argentina, Chile and Uruguay are trying to strengthen the authoritarian regimes of Central America and the Caribbean in order to counter the Cuban influence in the area.

Moreover, the Carabineros' (militarized police) training school denied having recently trained officers of the Haitian police and of other countries.

INTERIOR MINISTER ON STRIKERS, UNESCO PROTESTORS

PY021918 Santiago Chile Domestic Service in Spanish 1730 GMT 2 Jun 81

[Relay from La Moneda Palace by (Graciela Contreras)

[Excerpts] At the conclusion of the interior minister's meeting with the chief of state he was asked what action the government might take against the hunger strikers in the cathedral. He answered: The matter is under study.

He also indicated that another notification is not necessary. He was also asked if such a new notification would be preceeded by a court order asking church authorities to hand over those persons. The interior minister answered that this comes under the heading of possible measures.

He was also reminded that the Archbishopric has made a call regarding this matter and he answered that he agrees that measures must not be taken that will affect certain people if these measures are not in keeping with a court order. Therefore, he said, I believe that there is no need for them to be concerned because the Interior Ministry will always act within the law.

He then stated that he had no information regarding the people who entered the UNESCO premises. The minister continued that the government is currently studying all possible alternatives, but, he repeated, they can have the assurance and the solace that the Interior Ministry, as always, will act within the law.

Regarding a second notification, he said that it is not necessary, because the first notification is enough. He asserted that he has had no contact with church authorities.

BRIEFS

CHILEAN-BOLIVIAN JOINT COMMISSION--Today the 15th assembly of the Chilean-Bolivian joint technical border commission will be inaugurated in Santiago. The replacement of missing or damaged land boundaries and the placement of new intermediate pyramids to allow a better demarcation of the border line will be discussed during the commission's meeting. The Chilean delegation is headed by (Alejandro Porsh) and the Bolivian delegation by (Gen Oscar White). [Santiago Chile Domestic in Spanish 1100 GMT 2 Jun 81 PY]

INFLATION, UNEMPLOYMENT FIGURES--National Statistics Director Sergio Chapparro has reported that inflation rose by 1.3 percent during May and that the total inflation rate for the first 5 months of the year amounts to 5.4 percent. During the same period last year, the inflation rate was 12.3 percent. The unemployment rate for the 3-month period March through May reached 8.7 percent. During the same period last year, it was 12.6 percent. [Santiago Chile Domestic Service in Spanish 1730 GMT 2 Jun 81 PY]

SALVADORAN VICE PRESIDENT VISITS COUNTRY

Gutierrez Meets Leaders

PY281749 Montevideo Radio El Espectador Network in Spanish 1600 GMT 28 May 81

[Text] The vice president of El Salvador, who is visiting Uruguay, is currently meeting the chairman of the Council of State. Hamlet Reyes is holding a luncheon in honor of Jaime Abdul Gutierrez and his entourage.

This afternoon the Salvadoran vice president will decorate Uruguayan President Aparicio Mendez with the order of Dr Matias Delgado, with the great cross, which is reserved for chiefs of state.

This morning, Vice President Gutierrez held a meeting with the Uruguayan president and the junta of commanders in chief of the armed forces. Later on he paid a visit to the National Security and Defense School.

One of the main reasons for the visit of the Salvadoran vice president is to explain the situation prevailing in his country to the members of the Uruguayan Government.

When questioned by El Espectador, the visitor stated that the news reports about Salvadoran domestic conflicts are biased. About the guerrillas, he indicated that the situation is gradually returning to normal even though several communist countries are supporting Salvadoran extremists. Speaking about the conditions which must prevail for subversion to end, Gutierrez said:

[Begin recording] The main thing is to put an end to the supply of arms and other materiel through Nicaragua. [passage indistinct] [end recording]

Reveals Guerrilla Arms Sources

PA282145 San Jose Radio Reloj in Spanish 1730 GMT 28 May 81

[Text] Montevideo--Col Jaime Abdul Gutierrez, vice president of El Salvador, today said in Montevideo that the guerrillas in El Salvador have received over 600 tons of arms from Cuba, Vietnam, the GDR, Romania and Turkey. Colonel Gutierrez, who arrived in Uruguay as part of his tour of South America, specified that all these arms are coming from Cuba through Nicaragua. He also said that approximately 200 tons of arms have reached their destination, some have been intercepted and the rest are yet to be delivered.

According to Colonel Gutierrez, the only way to stop the guerrillas in El Salvador is to stop the flow of arms from Cuba. if we do not, it is going to be very difficult for us to control the situation, Colonel Gutierrez indicated.

Col Gutierrez, who arrived yesterday from Santiago, Chile, will remain in Montevideo until Saturday.

Comments on Civil War

PY300333 Paris AFP in Spanish 2352 GMT 29 May 81

[Text] Montevideo, 29 May (AFP)--The Salvadoran Government rejects mediation, for that would mean the acceptance of the extremists' belligerent character, Salvadoran Vice President Col Jaime Abdul Gutierrez said here today.

The only political way to overcome the conflict will be to call free constitutional elections in 1982, the officer stressed during a news conference held at the end of a 3-day visit paid to Uruguay during an information tour to South America.

The mediation which has been proposed by several sectors was not accepted because, according to Gutierrez, it was an ultraleftist maneuver intended to achieve war objectives.

At any rate, the officer pointed out, it was by no means a mediation to achieve peace, but to continue the war.

Earlier today, the civilian president of the Salvadoran junta, Jose Napoleon Duarte, had also rejected a negotiated arrangement proposed by the Socialist International, because that would have meant intervention in Salvadoran internal affairs.

The war in El Salvador is a political war, fought on the internal, external, political and economic fronts; but we are winning, militarily the officer said.

He admitted, however, that there are still problems in the economic war, and that as a result of that aggression, an international discrediting campaign has been mounted.

The Salvadoran problem, Gutierrez said, has turned into a regional, continental matter, and he affirmed that the guerrillas can be defeated: provided that the flow of men and armaments entering our territory is stopped.

Colonel Gutierrez said that if the measures he mentioned are not implemented, in the present situation he would prefer for his country to be devoured by the United States rather than by the Soviet Union.

During his stay in Uruguay, the Salvadoran vice president met with President Aparicio Mendez and with officers of the highest military rank. He decorated the Uruguayan president.

As a result of these contacts, he said, I have found understanding toward our problem and I mainly seek to provide an objective description of the situation.

Joint Declaration Released

PY011913 Paris AFP in Spanish 1542 GMT 31 May 81

[Text] Montevideo, 31 May (AFP)—In a joint declaration released today by the Uruguayan Foreign Ministry, El Salvador and Uruguay condemned terrorism and subversion "which inhibits the full exercising of democracy" and reaffirmed their unconditional support for the norms of international law.

The communique refers to both countries' support for the norms which consecrate the sovereign equality of nations, self-determination of peoples and nonintervention in the internal affairs of foreign countries.

Similarly, they reaffirmed their support for those norms pertaining to total and absolute respect for the territorial sovereignty of each nation.

The declaration, made on the occasion of the recent visit of Salvadoran Vice President Col Jaime Abdul Gutierrez, ended by expressing the necessity of establishing new international economic relations in order to find a just solution to the serious problems affecting mankind.

BRIEFS

NLW SOUTH AFRICAN AMBASSADOR--(F. J. Houri) today presented his credentials as the new South African ambassador to Uruguayan President Aparicio Mendez. [Montevideo Radio El Espectador Network in Spanish 1600 GMT 27 May 81 PY]

HERRERA CAMPINS REITERATES CLAIM ON ESSEQUIBO

PA030130 Caracas Radio Continente Network in Spanish 2100 GMT 2 Jun 81

[Report by Euclides Perez]

[Text] President Luis Herrera Campins today touched on the situation of the border conflict with Guyana when he dedicated the headquarters of the 2d company of the 80th Sgt Primitivo Antonio Ledezma Company [as heard] in Tumeremo, Bolivar State, an area that borders on Guyana.

[Begin recording] You know that for many years we have maintained a historic claim on the territory situated on the left bank of the Essequibo River. This historic claim, which since 1950 has been gaining strength with irrefutable arguments, has been maintained firmly by the national government over which I preside.

On the occasion of the visit of the president of Guyana, I had a chance to reaffirm to him a conviction, an attitude, a line of conduct, a line of action of the national government: that of keeping alive the historic claim over the Essequibo territory.

That is why I told him that currently there was no possibility of continuing to implement that [word indistinct] piece, the protocol of Port-of-Spain, that we had to continue to study the Geneva agreement for a way to reach a satisfactory solution that would permit a practical settlement of the issue. That Geneva agreement was approved by the Venezuelan National Congress. It is a law of the republic, and it was signed by the governments of Great Britain, Guyana and Venezuela. Therefore, these nations are committed to comply with it. Over here, we have taken charge of saying it and repeating it.

During these recent months, distinguished missions of the Venezuelan Government have traveled to friendly countries of South America, Central America, North America and the Caribbean informing the governments there, and refreshing their memories on this historic claim of Venezuela.

We have not done this because we have to seek allies to defend what is historically ours, but because by pursuing a policy of peace, solidarity and unity within the international and Latin American community, we have wanted to establish very clearly the position of the Venezuelan Government in this regard.

PEASANTS REPORT SOLDIERS WITH CUBAN ACCENT

PA022238 Caracas Radio Continente Network in Spanish 2100 GMT 2 Jun 81

[Text] Peasants from the town of El Dorado, Bolivar State, today reported that they had sighted foreign troops from Guyana in Venezuelan territory.

A spokesman for a group of farmworkers of the rural center of San Miguel, who identified himself as Pedro Carmona, provided this information.

He said that several nights ago, he was going along the road between El Dorado and Santa Elena de Uairen when he was suddenly intercepted by 12 foreign soldiers. He added that the group of men were carrying weapons, dressed in olive drab uniforms and wearing green berets with a red cross painted on them.

Peasant Carmona reported that the foreign soldiers spoke with a Cuban accent. He said that these 12 men asked him and his companions for several cigarrettes and then took to the hills in the direction of Essequibo.

Peasant Carmona added that the Venezuelan authorities were (?properly) informed of the incursion of the foreign troops in the territory of Bolivar State.

STUDY REPORTS PEMEX OIL INDUSTRY GROWTH

FL011238 Mexico City NOTIMEX in Spanish 0120 GMT 31 May 81

[By Mariela Chazaro]

[Text] Mexico City, 30 May (NOTIMEX)--Mexico has become the fourth largest oil producer in the world and fifth in proven reserves, and it had the largest oil and gas discoveries over the past decade. These facts are contained in a National Bank of Mexico study on Mexico's economic situation. The study indicates that the country's future is encouraging, with proven reserves for 60 years and potential ones for a longer period. Proven hydrocarbons reserves have increased to 67.83 billion barrels, probable ones to 45 billion and potential ones to 250 billion. The study reveals that for this year, Mexican Petroleum (Pemex) will have 223 drilling equipment units and a modern technology for the control and safety of operations.

It is specifically noted that production in the Gulf of Campeche amounts to 1.38 million barrels daily, which represents a volume greater than that of the Texas and Louisiana continental shelf. The area of development is 700 square km and it is part of a 50-square-km continental shelf. As a result of such development, transportation of crude oil and gas from the marine installations is a very complex operation. Therefore, it has become necessary to build a collection system which connects 40 platforms among themselves and with land.

On another subject, the study mentions that the trade balance of oil and petrochemical products in 1980 was favorable to Mexico by almost 222 billion pesos, which means 180 percent more than in 1979.

The Mexican concept of the energy problem is that it should be treated as a world issue and that it should be resolved with the cooperation of all countries. Mexico has entered into technical cooperation agreements with Cuba, Costa Rica, Nicaragua and Panama. It also has held talks with Brazil on continental oil exploration, and with China and India for exploration of their continental shelves. Regarding Pemex's status in Europe--specifically with the Spanish company Petronor--the Mexican enterprise believes that the arrangement with this company provides stability and firmness for Pemex's presence on the old continent, which will help to reach distant markets and to store and distribute crude oil and refined products in Europe.

LABOR LEADER: CUBA MUST ATTEND NORTH-SOUTH MEETING

FL030109 Mexico City NOTIMEX in Spanish 2356 GMT 2 Jun 81

[By Rocios Sesma Verde]

[Excerpts] Mexico City, 2 Jun (NOTIMEX)--The U.S. veto of Cuba's participation in the North-South talks to be held in October in Cancun was described today by the secretary general of the regional [as received] Confederation of Workers and Peasants (CROC), Angel Olivo Solis, as blackmail against Mexico. He said that the United States obviously wanted to keep pressuring Mexico and all countries that do not go along with Mexican [as received] policies as shown by President Ronald Reagan yesterday when he told the International Monetary Fund that he would curtail credits to countries that do not back the United States. Olivo Solis said that Cuba must take part in the North-South dialogue because it represents a balancing element.

Olivo Solis also announced that the labor congress will submit several proposals to President Jose Lopez Portillo concerning the exploitation of undocumented workers in the United States and the amnesty law for laborers so that these points may be discussed in his forthcoming meeting with U.S. President Ronald Reagan.

FOREIGN MINISTER CASTANEDA CONCLUDES USSR VISIT

For the PRAVDA 26 May version of the text of the communique marking the conclusion of Mexican Foreign Minister Jorge Castaneda's visit to the USSR, See p 1 of the Latin America and Caribbean section of the 1 June issue of the Soviet Union DAILY REPORT.

COSTA RICA

HIGHLIGHTS OF ARMS TRAFFIC REPORT PUBLISHED

PA012125 San Jose LA NACION in Spanish 15 May 81 pp 4A, 6A

["Summary with quotes of the main portions" of the report o.. arms trafficking issued by a special Costa Rica legislative commission on 14 May 1981]

[Text] Background of the Case

The Commission was formed on 25 June 1980 as a result of the motion by Deputy Ramon Aguilar Facio in view of the frequent charges that after the Nicaraguan war a black market of war materiel, including armaments that were stored in the state arsenals, emerged in Costa Rica.

Origin of the Weapons

The commission stated that the war materiel came from Venezuela, Panama and Cuba. The commission was unable to confirm its arrival from Western Europe.

Regarding Venezuela, it stated the following:

"This commission has proven that the first war materiel imports which were authorized by the executive branch, came from Venezuela.

"On 22 February 1979, a Venezuelan Air Force plane unloaded at least 400 M-14 rifles and approximately 1 million 7.62-caliber rounds on the ramp of the air section of the Public Security Ministry in the Juan Santamaria Airport (pages 430/431). In the same way and prior to that shipment, the Costa Rican Government received 100 M-14 rifles and 200,640 rounds from the same place.

"The shipment documents sent by the Venezuelan Government, which were given to this commission by Echeverria Brealey, Public Security Minister at the time, do not state under what conditions the described materiel was supplied."

Panama

Regarding Panama, the report stated that in accordance with the inventory of the comptrollership general of the country, the following materiel entered the country: 23 75-mm guns; 6 120-mm mortars; 17 82-mm mortars; 8 four-barrel machineguns and 64 spare barrels for this type of machinegun; 12 3.5-inch rocket launchers; 10 bazookas; 8 Mag machineguns and 669 7.62-caliber FAL rifles.

Regarding this armament the commission stated:

"Unlike the weapons from Venezuela about which the files include details on the quantity, characteristics and serial number of each one, in the case of the weapons from Panama there is no documentary proof of those characteristics and of course, there is no inventory or acknowledgement of receipt from the Costa Rican Government.

"This commission has also received reiterated testimony that in the Llano Grande Airport in Guanacaste and in the Juan Santamaria Airport, war materiel from Panama was unloaded from Panamanian Air Force planes as well as from private planes. The commission has so far been unable to determine the quantity, characteristics and final destination of those weapons."

Cuba

The supply of weapons from that nation became one of the most controversial points of the work of the legislative investigators.

This was mainly due to the repeated statements of officials and former officials of the Security Ministry who said that flights from Cuba had not taken place.

The commission mentioned that on 4 November 1980, during a meeting between the members of the commission and President Rodrigo Carazo, he said that he was unaware that flights from Cuba had taken place "but that if they had been necessary for the country's defense, he would have authorized them."

The report also reveals that in a subsequent meeting with President Carazo after five pilots publicly confirmed that there had been flights to Cuba in a document called "testimony of five citizens to all Costa Ricans" (24 March 1981), the president "admitted that the flights loaded with armaments came from Cuba and he added that they were weapons facilitiated by the Panamanian Government."

The report also added:

"Regarding this point, the commission has proven that at least 21 flights from that point of origin effectively took place, that all of them carried war materiel (although some testimony indicated that there were more flights, that each flight carried an average of 31,000 pounds and that their destination was the Llano Grande Airport or the Juan Santamaria International Airport.

"From the analysis of the file and based on statements received from the pilots and other people, this commission has grounds to believe that the U.S. Government and other American governments had full knowledge of this traffic from Cuba, its destination and purpose.

"Based on the statements that are included in this commission's file it has been determined that the flights from Cuba took place through a national airline called Exaco and that the commercial operation was directed by Mr Manuel E. Guerra Velazquez who, according to his statement, was the person in charge of contracting and paying the cost of the company flights in the account of, and following the orders of, Commander Eden Pastora. The cost of each flight ranged between $8,000 and $12,000. Contracting for the flights with the Exaco Company was done by Mr Guerra Velazquez, who did this mainly through Mr Fernando Carrasco Illanes and Mr Roberto de Benedictis, who at that time was a top official of the company who was subsequently appointed director general of civil aviation."

Distribution

The report continued: "As we have indicated, most of those flights arrived at the Llano Grande Airport, but the first shipments were unloaded in the Juan Santamaria Airport. In the latter case, the part of the weapons that corresponded to the government were stored in the hangars of the air section of the Public Security Ministry; the arms destined for the Sandinist National Liberation Front [FSLN] were transferred to Guanascaste Province in trucks of the Public Security Ministry."

"It has been impossible for the commission to determine the number and characteristics of those weapons due to the total absence of inventories and controls and to the many contradictions of both public officials and private citizens who participated in this operation.

"The commission has confirmed that the war materiel coming in from Cuba was distributed in variable amounts impossible to determine so far between the FLNS and the government of the republic, so that one part of it was sent to El Pelon Ranch in La Altura and another to Santa Rosa Ranch, among other places.

"Col Guillermo Marti Vargas, Mr Willie Azofeifa and other important FSLN officials, as well as Mr Elio Espinar Pascual, were the major participants in the operation to transport and distribute the war materiel. The then administrator of Llano Grande Airport also learned about this operation and participated in it.

"Fuel from the Public Security Ministry's air department was used for this operation through an authorization that department issued to the Costa Rican Oil Refinery (RECOPE) for the purpose of supplying the Exaco enterprise planes."

Western Europe

The commission was unable to prove a charge that two flights arrived from Western Europe bringing war materiel in December 1978. Allegedly they were a Boeing-707 from the FRG and a DC-8 from Portugal. Apparently, they brought 60,000 pounds and 90,000 pounds, respectively, for the FSLN.

There is only one item of evidence regarding this matter.

Concerning this matter, the following has also been recorded:

"In the files of the Civil Aviation Directorate we have been able to locate a cable requesting authorization for the landing of a Boeing-707. The Portuguese airline made the request and the aircraft was supposed to carry 6 tons of weapons and 4 tons of ammunition. The Civil Aviation Directorate denied the permit by means of a cable which is included in the files of this commission.

"It is important to note that the request of the previously mentioned Portuguese airline warned that a person named Mario Duarte would receive this materiel in his role as representative of a company called Trans Caribe. According to the cable, he would travel with the cargo. The commission investigated Mr Duarte's identity and through the Judicial Investigation Organization (OIJ) obtained precise information from the Panamanian authorities that this individual was recently killed in Panama City."

Regarding these flights, the commission feels that the investigation has not concluded, for it awaits data from the parliaments of those countries.

Traffic to El Salvador

Based on three incidents occurring between June 1980 and the first months of 1981 and involving Costa Ricans, the commission categorically affirms that "an arms traffic originated in Costa Rica or through Costa Rican territory, toward El Salvador, indirectly or using Honduras as a bridge."

The accident involving a light aircraft loaded with weapons, which occurred on 15 June in El Salvador, is mentioned at this point. According to the investigations, the aircraft took off from Tamarindo Beach, in our territory. It was manned by Panamanian Cesar Rodriguez. According to the document, the Panamanian authorities did not provide further cooperation regarding this matter.

Another case involved the capture of Costa Rican Rafael Mendez Castro in Honduras on 18 January. He was charged with driving a vehicle that also departed from here carrying weapons for the Salvadoran guerrillas. The third incident concerns the capture of pilot Julio Talavera Romero, who was captured with an aircraft in a Salvadoran landing strip. He is charged with collaborating with that country's guerrillas and with allegedly being connected with Costa Ricans.

The State's Weapons

The commission says that as a result of its investigations it is sure that war materiel was removed from the state's arsenal on at least three occasions.

It is stressed in this connection that there were no controls of any kind or inventories and that there was no security. This facilitated the removal of the weapons for the purpose of selling them to private citizens or to interested groups. In this regard it is mentioned that materiel was removed from the air section (Base 8) and from Base 15 in Pavas and that a military officer is allegedly connected with the loss of "5,000 bullets from the military police's stock."

Power of Private Citizens

The commission underscores the possession of war weapons by private citizens. It lists the many raids and seizure of weapons of that type that were carried out in private homes. The following cases are mentioned:

"A) House of Dr Rodrigo Esquivel Bonilla: These weapons turned out to be the property of Juan Jose Echeverria Brealey, former minister of public security.

"B) House of Mr Victor Rojas Castante.

"C) House of Mr James Russell Harrington, a U.S. citizen.

"D) House of Mr Julio Calleja Quesada.

"E) House of Mr Ferrando Carballo Jimenez; and

"F) Seizure of war materiel at the installations of Radio Noticias del Continente."

Concerning this matter, the commission stresses the clauses of a judicial resolution issued on 13 April 1981, which ordered the suspension of the judicial proceedings against former Minister Juan Jose Echeverria, following the seizure of weapons on his property.

It adds: "The contents of the whereas clauses that we have transcribed shows that in our country it is possible for private citizens or groups of private citizens to have in their possession war materiel in the amounts necessary for their purposes. In this regard, the commission had already detected the existing lack of laws and the enforcement of anachronical laws and provisions. Based on these reasons, and in order to modernize and update the laws on the sale, import and possession of firearms, the undersigned deputies submitted (on 6 October 1980) a bill, 'Law on the Import, Sale and Possession of Firearms,' which was published in Gazette No 220 of 17 November 1980, (file No 8834), which is currently being carried through the permanent committee on juridical matters. In order to draft this bill, we counted on the valuable and timely collaboration of the OIJ, an organization which due to its high level of specialization in this area contributed important ideas for the purpose of including in the articles the most modern rules on the subject; thus, the need for the legislative branch to carry this bill through urgently.

"We believe it necessary to propose to this assembly a bill to amend the present penal code in order to make the private possession of war materiel and the domestic and international trafficking of this type of materiel a punishable crime. The arms trafficking may be considered an international crime just like white slavery or drug trafficking."

Inventory of Arsenals

The commission gives special importance to the inventory carried out in the state arsenals last year by the comptroller general's office.

Many deficiencies in the control of government arms are listed in that inventory.

Conclusions:

This is how the commission summarizes its conclusions:

"In the report we have just transcribed, it is evident that there is a total absence of effective controls over government arms and ammunition and on their transportation as a result of the various operations in which the public forces have participated. The inventory carried out on 18 December 1980 determined that 2,018 weapons were missing. The office of the comptroller general also discovered 2,300 items that were not included in the latest inventory of the Public Security Ministry and that could be characterized as a surplus, according to the inventory. [Quotation mark as published]

This information clearly reveals the disorder that traditionally has existed in the managing and control of the state arsenal, a situation that at any moment would facilitate the theft or loss of this materiel.

It is vitally important to clarify that the inventory of the comptroller general's office was done on the basis of the latest inventory carried out by the Public Security Ministry in August 1979.

There is special interest in making it evident that this commission has verified that authorities of the Public Security Ministry have hidden arms from the members of a special commission appointed by the assembly to investigate charges about a militarization of the Costa Rican public forces. This commission was created on 6 September 1979 and it has been demonstrated that public security officials lied, with premeditation and maliciously, to the members of the commission. The public security officials have stated that they acted on direct orders from their superiors, specifically, on orders from a former public security major, Mr Willie Azofeifa, who in turn said he had received orders from Mr Echeverria Brealey, who at that time was public security minister.

Recommendation

The following is the final recommendation:

"The commission considers that it has been demonstrated that President Rodrigo Carazo Odio and former Public Security Minister Juan Jose Echevarria Brealey are very much responsible for the events being investigated. These officials went beyond the limits of their legal functions, ignoring that the exercise of power--even under emergency and urgent situations--is not and cannot be without controls. If public information on certain events could at a given moment threaten the country's security, certain precautionary measures should be adopted so that once the situation returns to normal there are no secondary effects that also threaten national security or the public interest. There were no controls on the war materiel that entered the country under those circumstances. Following the conclusion of the war in Nicaragua, those authorities did not go to the people to justify or to explain their actions. They assumed a power that the law does not give them and did not submit this exorbitant power to the controls that the constitution establishes for emergency situations. What was done in this regard came late and was forced by the circumstances."

Things Hidden

The report adds: "The attitude of the high authorities who have been mentioned implied that things had been hidden from the Legislative Assembly and the nation. This necessarily led to the fact that lower public officials as well as other persons connected to the events lied to the commission and to the people, thereby obstructing the exercise of the investigative powers that the constitution grants to the Legislative Assembly. All this--and this is an open and notorious fact--has produced deplorable effects on the credibility that public officials should have in order to properly carry out their functions.

"After examining the facts and establishing the degree of responsibility of important public officials, some of whom no longer occupy public posts, this commission believes that the political constituion does not establish sufficient political penalties and that such penalties can be recommended and imposed by the legislature.

The constituents thought that the men who reach higher posts are better. They thought that the responsibilities which they acquire with their new positions would generate in them the necessary respect to exercise a limited and controled use of a power that in the end does not belong to them. As a result, they did not establish sufficient penalties that could be timely and severely applied. This situation moves the signatories of this document to recommend that the Legislative Assembly explicitly and vehemently condemn the facts listed in this final recommendation, censure [reprenda] the persons responsible, and send a copy of this document to the attorney general's office [ministerio publico] for its consideration."

EL SALVADOR

HUMAN RIGHTS COMMISSION CONTRADICTS GUTIERREZ

PA021933 Havana International Service in Spanish 1600 GMT 2 Jun 81

[Excerpt] The Salvadoran Human Rights Commission says in a document released in Mexico City that the Christian Democratic-military junta shows its total ignorance of the country's real situation by affirming that the Salvadoran people's struggle is that of a minority.

The document refutes statements made by Col Jaime Abdul Gutierrez, member of the genocidal Salvadoran regime, during his tour of the South American cone, where he said the Revolutionary Democratic Front is merely a facade for the guerrillas and is responsible for the present violence, so that it is not a viable interlocutor for negotiating a political solution.

The document released stresses that last year the Salvadoran regime's repressive bodies killed 13,000 people and that in the first 5 months of this year the figure has already risen to 10,000. It also underscores that to describe the democratic parties and the legally-constituted unions as criminals, bandits and terrorists is equivalent to denying the people's inalienable right to organize themselves, as established in the Salvadoran constitution.

LAWYER, STATION CRITICIZE JUNTA ELECTION PLANS

'Defective' Electoral Law

PA022312 San Salvador NEWS GAZETTE in English 27 May-2 Jun 81 p 1

[Report by Mario Rosenthal]

[Excerpts] A very experienced lawyer agreed to comment on the electoral law issue. "However, you must not mention my name," he said. "This in itself is a commentary on the present situation in El Salvador," he added.

In his opinion, the revoked law did not contain great defects and it could have been merely amended. "However, in the proposed draft which refers only to the organization and regulation of political parties, the only substantial change from the old law is the reduction of the number of registered voters required to legalize the party from 5,000 to 3,000. In everything else it is based on the same old law."

Asked if the refusal of the Federation of Bar Associations to cooperate in studying the draft of the new law is not a negative attitude that contributed nothing and further eliminated the legal profession from participating in laying the foundations for a democratic future for the nation, he replied caustically: "In my opinion we are merely witnessing the same old circus with a team of new clowns."

The lawyer said that he found the draft of the new law to be technically defective and that the language is deficient. "While political parties are barred from campaigning except during a limited period of 60 days prior to elections, the Christian Democrats in power can campaign 12 months of the year and they are now doing it everywhere," he said. "If this is the way it will be in the future, it will be the basis for perpetuating a single party in power."

"The proposed law is not in force," he pointed out, "but if it were, at least 6 months would be needed to organize a new political party in a country that has only had 'official' party control by the government. This is aggravated by the prevailing violence of the moment."

In his opinion, it is completely impossible for new political parties to be organized in time to participate in the elections scheduled for March 1982.

"I see elections as very difficult but not impossible under present circumstances. It is a matter of choosing between keeping martial law and limitations to constitutional rights in effect for reasons of security or lifting the restrictions and carrying out the electoral process."

"The two are completely incompatible," he concluded.

Radio Venceremos Commentary

PA021648 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 2 Jun 81

[Commentary: "The Junta Is Preparing the Road to Elections in Its Own Way"]

[Text] The progressive and democratic forces of the world proposed the search for a political solution to the conflict through international mediation as a must. The United States and the junta, however, could not accept this proposal. First, under the terms it was proposed, it implied the recognition of the people's power. Second, in the face of the evident signs of the regime's unpopularity on one hand and the just nature of our struggle on the other, the junta is fully aware that it is isolated and has no support except for that of the warmonger, President Reagan.

International pressure, however, is increasingly stronger over the Christian Democratic and military regime and thus the junta, almost under duress, has despeartely come up with the most absurd and discredited political proposal ever registered in our country: the elections.

Institutions, organizations and political personalities immediately commented on the absurdity of this proposal. Regarding this, Pierre Schori, international secretary of the Swedish Social Democratic Party, said: It is absurd to talk about elections when El Salvador is witnessing a war for liberation and when there is a list of people sentenced to death, a list that includes the top leaders of the opposition. The association of Salvadoran lawyers refused to draft the electoral bill proposed by the junta. Former Foreign Minister Hector Dada Irezi said: I believe that it is impossible for Duarte to guarantee these elections because the repressive military sectors which are truly in power in the country are not interested in elections. We could go on and on listing comments that are evidently expressing the absurdity of the junta's proposal.

Jorge Bustamante, president of the Central Elections Council, recently said that the conditions to start an electoral process did not exist. However, Colonel Garcia said: The people of this country will vote even if they have to do it under bullets.

The junta has recently adopted measures which are not precisely the best to start the electoral process. The junta has not lifted the state of siege and the curfew. It has not released political prisoners. It has not lifted censorship. Other measures adopted by the junta include a strict control over the circulation of vehicles. It is increasing repression and it is asking the U.S. for more weapons.

The junta cannot hide its repressive and antidemocratic nature from the world. For this reason, the farce of the elections, as Colonel Garcia says, "under the bullets" are a mockery to our people who have already made a decision: the road to peace and the establishment of a democratic and revolutionary government.

BUS OWNERS END STRIKE FOR 2-CENT FARE INCREASE

PA021600 Buenos Aires LATIN in Spanish 0244 GMT 2 Jun 81

[Text] San Salvador, 1 Jun (LATIN-REUTER)--The Salvadoran bus owners tonight ended a strike which was declared today to demand a busfare increase.

Bus owners association sources said that bus service throughout the country will again be normal before dawn Tuesday, after the government authorized a temporary increase of 2 cents in the urban busfare.

They added that the government also promised to pay subsidies for fuel price increases and compensation for the buses damaged in the political violence lashing the country.

Ricardo Equizabal, a leader of the association of bus owners, had warned that unless the government gave a positive reply, the strike would continue indefinitely.

Police sources said that approximately 200 buses had stopped running during the day and that more than that number of buses were in service tonight.

FDR VICE PRESIDENT DISCUSSES ROLE OF BUSINESSMEN

PA011744 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 1 Jun 81

[Exclusive interview with Engineer Eduardo Calles, president of the Independent Movement of Salvadoran Professional and Technical Personnel and vice president of the Revolutionary Democratic Front: date and place not given--read by announcers]

[Excerpts] [Question] We would like to know how owners of small- and medium-sized businesses are affected by the present crisis and their opinion about efforts to find a solution to this crisis?

[Answer] The owners of small- and medium-sized businesses are facing an increasingly difficult situation. Early this year many of them were already on the verge of bankruptcy because of large debts, low production levels and a very restricted market. Our people no longer have any purchasing power. We are not talking about unnecessary purchases, but strictly necessary goods. There have been instances in which these businessmen have been offered more credits in a desperate attempt to reactivate the economy, but it has not been possible to use these credits productively.

The country's economic crisis does not permit a stable market and to this we must add factors such as increases in wages and in the price of raw materials. The lack of foreign exchange to get these raw materials has also resulted in very high production costs; therefore, our products cannot compete regionally.

These businessmen are aware of this and they have repeatedly mentioned this bad situation. They have had the courage to point out these problems. Therefore, the public statements that the Revolutionary Democratic Front [FDR] has made in this regard were not aimed precisely at having them join the FDR. They were made because we have common interests. The FDR is proposing solutions to the problem that affects large sectors of the Salvadoran population, including these businessmen. A real solution to this crisis must be sought. It is a patriotic interest.

This problem should not be solved in a demagogic way but by establishing a government truly representing all sectors. This should be a pluralist, democratic, revolutionary, anti-imperialist and antioligarchic government. It has been categorically confirmed that the Salvadoran crisis cannot be overcome unless we integrate all sectors into a new government to try to work and solve the problems. Of course, the simple establishment of a democratic and revolutionary government does not mean that the crisis will be solved, but it is the beginning. It is the groundwork for the solution of the crisis.

[Question] Just as the FDR and the Farabundo Marti National Liberation Front [FMLN] have proposed a solution, the junta is also claiming to have a proposal. What do you think of this?

[Answer] There is, in effect, a proposal by the Christian Democratic junta which consists of an election for 1980. [as heard] The revolutionary forces and the FDR are being accused of rejecting these elections. In reality, the FDR or the revolutionary forces are not rejecting this. It is the people who cannot see how it can be possible to pull out of the crisis through elections under the present circumstances. Regarding this, our people have been deceived so many times that they cannot be blamed for their doubts at this time under a regime that denies all the rights--the freedom of speech, the right to live and the right to be educated. We see how the lawyers have made similar statements. Various sectors have also spoken about seeking a political and not a military solution to this situation.

[Question] Engineer Calles, you as a professional and a member of the Independent Movement of Salvadoran Professional and Technical Personnel [MIPTES]. How do you believe this crisis is affecting the Salvadoran professional and technical sectors?

[Answer] The MIPTES, which is made up of many professionals, doctors, lawyers, economists, engineers and writers, is a strong guarantee for technical and political support in a new regime within a democratic and revolutionary government. This has been understood by professionals who are also experiencing the crisis through the closing of sources of employment, and who are being hit by repression--such as the recent capture of Claudia Oresco Mallen--while other professionals have had to flee the country because of threats. Very few professionals support this regime. However, the professional movement is so strong that the outlook is encouraging. The democratic and revolutionary government will have strong support from very qualified professionals. Regarding this, we tell these professionals that their future role is very important. We also want to issue a call to the middle class which has a very important mission in the new democratic and revolutionary government. In addition, this will ensure their integration in a free society with better opportunities.

[Question] Engineer Calles, in your position as a university professor, do you feel that the solution to the university's abnormal situation is one of the most important demands of the Salvadoran people?

[Answer] This is undoubtedly so. This is a basic matter. The fascist regime is attacking culture in general. There can be no solution to this problem if the restoration of freedom is not included.

[Question] Do you want to send a message to the Salvadoran people?

[Answer] Our people have given proof of so much sacrifice that they can be sure that our will to struggle is unyielding. We are willing to go through the final sacrifices in real terms not just demagogic ones. We hope to successfully carry out the liberation aspirations of our people. We know that we have a great commitment to our people who have trusted us and recognized the FDR and the FMLN as their true representatives and their vanguard.

GUATEMALA

LUCAS ACCUSES CUBA OF FOMENTING GUERRILLA ACTIVITY

PA022250 Panama City ACAN in Spanish 1944 GMT 2 Jun 81

[Text] Guatemala, 2 Jun (ACAN-EFE)--Guatemalan President Gen Romeo Lucas Garcia today accused Cuba of fomenting the leftist guerrilla groups operating in this country.

The president was approached by newsmen at the presidential house on his way to the ceremony proclaiming "National Aviculture Year."

Lucas Garcia said that Cuba is supporting stepping up guerrilla activities in Guatemala as it has also done in the other Central American countries.

There are four antigovernmental armed groups operating in Guatemala: The People's Guerrilla Army (EGP), the Armed People's Revolutionary Organization (ORPA), the Rebel Armed Forces (FAR) and the Guatemalan Labor Party (PGT).

The Guatemalan president said that the army "has been fighting communist subversion for 20 years, so these groups' attacks are nothing new."

Lucas Garcia said that the USSR is behind the Cuban attempts to overthrow the governments of the Central American region in order to establish socialist regimes.

The president added that in view of the increase of the leftist guerrilla activity in Guatemala, the army of this country is modernizing its equipment.

Lucas Garcia said that the Guatemalans will be able to choose a new leader in the March 1982 presidential elections, in which eight political parties will participate.

REPORTAGE ON GOVERNMENT, GUERRILLA CLASHES

Military Vehicle Attacked

PA021748 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 2 Jun 81

[Text] The struggle being waged in Guatemala by the army and leftist guerrillas was intensified today in the capital and in the interior of the republic. A military truck was attacked this morning in Zone 6 of Guatemala City. Similarly, unofficial reports from San Mateo Ixtatan, Huehuetenango, indicate that an armed confrontation took place there, resulting in at least 10 deaths. No other details are available.

An individual identified as Jose Navarro Lopez died this afternoon in the general hospital as a result of wounds sustained when an army truck was attacked at approximately 0700 in El Martinico neighborhood, Zone 6. A military policeman was killed at the site of the attack, which was launched with grenades and machineguns. Four soldiers were wounded, as was a 7-year-old girl who happened to be passing through the area.

There are reports that some of the guerrillas were wounded, but they were taken from the site by their comrades. After the attack, there was an exchange of fire in El Martinico and houses in the area were searched. At least 12 persons were arrested during these searches and are being held for investigation.

Some 500 members of the security forces--soldiers, military policemen, uniformed national policemen, detectives and members of the treasury police--participated in the search for the persons who attacked the truck.

The search operation, which lasted over 3 hours, was supported by a national police helicopter, whose crew instructed the searchers about the whereabouts of the attackers. During the operation, private homes were searched and the soldiers also searched the grounds of Corpus Christi parish, where they arrested some unidentified persons for investigation. Other persons were stopped in the streets for interrogation and parafin tests. The police stopped traffic in a large sector of Zone 6, which was cordoned off to prevent the attackers from withdrawing from the area, although it is believed that most of them had already escaped to Zone 2 through the ravines of Martinico and (Los Lecheros) neighborhoods.

The soldiers recovered a knapsack and a grenade launcher that were abandoned by the subversives. The only innocent victim of the events was (Lines Young), 7, but hundreds of elementary and high school students who were on their way to schools located in the area of the firing shared the generalized panic in the area. Some students took refuge in the classrooms, while others fled in terror. Some women became hysterical and received assistance from municipal firemen and volunteers.

The sector where the guerrillas attacked the military truck is close to several headquarters of security force units. This made it possible for the authorities to act promptly to jointly search the area. The headquarters of the national police traffic department is in Zone 6. A treasury police headquarters is in front of the parish church to the north, on 5th Avenue and the mobile military police have a precinct near Projects 43 and 44. In addition, the national police academy is located in San Antonio neighborhood. Units of all these forces participated in the pursuit of the guerrillas, despite a stubborn drizzle that let up about midday.

The clandestine People's Guerrilla Army [EGP] tonight claimed credit for the attack in a communique in which it also claimed credit for the attack yesterday on Gen Horacio Heriberto Maldonado, commander of the honor guard.

General Wounded, Soldiers Killed

PA020331 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 1 Jun 81

[Text] Army sources have reported that Gen Horacio Heriberto Maldonado, commander of the honor guard, is in serious condition after being shot by unidentified assailants. The communique issued by the army public relations department states that General Maldonado is so seriously wounded that he cannot receive visitors, not even relatives.

Elsewhere, in Zunil, Quezaltenango, unidentified men attacked a patrol on the Retalhuleu-Quezaltenango highway. Military sources have confirmed that the men detonated a claymore mine, killing three soldiers and wounding five.

Towns Occupied, Weapons Seized

PA020124 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 1 Jun 81

[Text] Leftist guerrillas took over two towns in north and southwestern Guatemala. One town, Nuevo Carlos in Retalhuleu, was occupied by about 200 guerrillas, some of them women. They cut telegraph lines and attacked the police station, locking the policemen in a cell. They took a 12-gauge shotgun, two M-1 carbines, four revolvers and one rifle. They conducted a meeting with the townspeople and then fled into the mountains. The Armed People's Revolutionary Army claimed credit for the attack.

Another group of 200 guerrillas took over the town of El Limon in Huehuetenango. They identified themselves as members of the People's Guerrilla Army. The terrorists attacked the treasury police post and disarmed the policemen, taking 20 carbines, 20 revolvers and ammunition. The attackers locked the policemen in a cell and held a meeting, raising a red and black flag in the plaza. Security forces combed the area for the extremists.

MINISTRY ANNOUNCES LONDON MEETING ON BELIZE

PA021616 Guatemala City Domestic Service in Spanish 1230 GMT 2 Jun 81

[Text] There will be a meeting in London to continue negotiations between Guatemala and Great Britain. The Guatemalan Foreign Ministry has confirmed that a new round of negotiations will take place. This new round will take place in an annex of the British Foreign Ministry building, in London.

The meetings will begin on 15 June. The meetings between the delegations of Belize, Great Britain and Guatemala will serve to continue the negotiations, initiated in New York on the basis of understanding, to facilitate the preparation and final editing of a tripartite agreement that will put an end to the controversy on Belize.

GUATEMALAN, HONDURAN MINISTERS TO DISCUSS TRADE

PA291906 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 29 May 81

[Text] Semiofficial sources in Guatemala today believe that the bilateral treaty between Guatemala and Honduras for the tax-free importation and exportation of merchandise has been cancelled.

The annulment of the treaty has been made official, but it is considered symptomatic [sintomatico], said sources close to our country's government. [sentence as heard] The problem bagan when Honduras established taxes on merchandise coming from abroad without exception. Guatemala then decided to reciprocate by taxing Honduran products.

However, President Romeo Lucas believes that this problem could be settled at a meeting of Guatemalan and Honduran ministers:

[Begin recording] In view of this closure of which you speak, I am sure that the ministers of economy and foreign relations will be meeting with the Honduran ministers today and tomorrow. [end recording]

PRESIDENT LUCAS NAMES NEW FINANCE MINISTER

PA030041 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 2 Jun 81

[Text] In a surprising change decreed by President Romeo Lucas, Arnoldo Belteton was installed today as finance minister to replace Col Hugo Tulio Bucaro. The new finance minister said that he is opposed to the establishment of new taxes.

After relinquishing his post former Finance Minister Hugo Tulio Bucaro expressed the opinion today that Guatemala's present economic situation is difficult.

[Begin recording] You all know that the Nicaraguan crisis affected Guatemala, and it particularly affected those persons who invest capital. Many persons have stopped investing because of fear and uncertainty. I believe this can be alleviated in the future. This is natural and it was precisely for this reason that the government tried to activate the public sector in an attempt to have it replace the private sector with regard to some investments, at least with regard to public works, in order to reactivate the companies and also to provide employment for many persons left jobless because of the closing of enterprises. [end recording]

COFFEEGROWERS CITE PROBLEMS, REQUEST AID

PA021523 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 1 Jun 81

[Text] The Eastern Guatemala Coffeegrowers Association [ACOGUA] declares the following:

1. Economic Situation of the Guatemalan Coffee Industry.

The 1980-81 harvest has already been completed. In many areas the harvest was up to 30 percent less than the preceding year. The situation deteriorated because of the quarterly export quotas ordered by the international coffee organization [OIC]. This resolution has forced Guatemala to retain 17.5 percent of its export production.

2. Production Costs.

It was officially reported, according to Agriculture Ministry studies, that the average cost of coffee was 85.45 quetzales per quintal. The sale price of our coffee is fixed by the international market. Unfortunately, this price fluctuates, and our 1980-81 coffee has been selling for between 60 to 80 quetzales per quintal. We have exported small amounts of coffee to nonmember countries of the OIC at low prices of between 40 to 60 quetzals per quintal. Despite these sales, there will be a surplus of about 600,000 quintals of coffee.

3. Consequences.

As result of the foregoing, marketing has become so difficult that it has placed the coffeegrower in a serious economic position in which we have almost no credit. It also has forced us to cut our labor force, thereby affecting the high unemployment rate in our country's rural areas. Coffeegrowing is the biggest source of employment in Guatemala. Our present unemployment is a result of the country's sociopolitical crisis. Idle personnel cannot be readily absorbed by other agricultural activities.

4. Solution.

Place the coffee industry on an equal tax level with other economic productive sectors, through income tax as established in congressional decree 229 of 1964. If this measure were adopted, the national banking system will once again regard coffee as a credit sector, and it would make Guatemala competitive in the world market. Our neighbors, Mexico and Honduras have already adopted this measure. The national congress and the executive are aware of the problem. The national coffee industry expects an immediate solution.

[Signed] The board of directors

HONDURAS

MINISTER TO MEXICO TO DISCUSS COFFEE, TRADE

PA021442 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 1 Jun 81

[Text] The following are statements by Economy and Commerce Secretary Ruben Mondragon who, along with other officials of Central America, is seeking support in the battle against coffee rust:

[Begin recording] [Question] Secretary Mondragon, why are you going to Mexico?

[Answer] We had planned to visit Mexico approximately 20 days ago, on an invitation extended by the Mexican Coffee Institute to the five Central America coffee institutes and to their directors, who in some countries are the economy ministers and in others the agriculture ministers.

The trip was postponed because a meeting is planned with President Lopez Portillo to ask him to finance coffee stocks not included in the quotas for the five countries and which has to go to new markets at lower prices, as well as to finance the battle against coffee rust.

This offer was made by President Lopez Portillo when the oil agreement was signed, that is, that Venezuela and Mexico would not only help these countries to finance 30 percent of their oil purchases, but could also help them with coffee. Today we are leaving for Mexico via TAM airways and tomorrow we have a meeting with President Lopez Portillo. On Wednesday we have a meeting at the Mexican Coffee Institute with the managers of the coffee institutes to discuss specific aspects of this product.

[Question] What other official matters will you deal with during your trip to Mexico?

[Answer] I will use my trip to Mexico to visit Petroleos Mexicanos to request that propane gas be included in the oil agreement which we have with Mexico. The local propane gas distributors are insisting that the government purchase more propane gas and distribute it to the different companies. This gas would be delivered at Ciudad Hidalgo, on the Guatemalan border, for transshipment to Puerto Cortes in tankers or overland in tank trailers or perhaps from some Mexican port in tankers for shipment to Peurto Cortes. I will also discuss other aspects dealing with the supply of oil.

I will also visit the Mexican commerce secretary because private businessmen have already met with Mexico's businessmen to discuss a bilateral trade agreement and this now has to be done at the official level. I will do this and study the possibility of concluding this bilateral trade agreement as soon as possible. As you know we could export a number of products to the Mexican market with a 75-percent decrease in Mexico's normal custom's tariffs and duty free to a 20-km wide area bordering on Guatemala, which includes important cities such as Tapachula. El Salvador and Guatemala have already signed similar treaties with Mexico and we want to do the same. [end recording]

PATRIOTIC FRONT PLANS TO PARTICIPATE IN ELECTIONS

PA291630 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 29 May 81

[Text] Yesterday we were informed that the Honduran Patriotic Front [FPH], a movement of clear Marxist-Stalinist leanings and with which Christian Democrats had to break ties for their own health, is getting ready to participate in the future electoral process. It has been said that the FPH will try to register as the law provides.

It has also been learned that Anibal Delgado Fiallos, the most visible leader of the FPH, reportedly held talks with retired Col Mario Maldonado, former director of the National Agrarian Institute, who is remembered as a strong supporter of populism. He has reportedly agreed to be the FPH's presidential candidate.

Other figures who are mentioned as participants in the poltical activity of the FPH and as candidates for the legislature are Victor Meza and professional Marxist activist Mario Sosa Navarro. However, there is nothing official about the nominations.

As is public knowledge, the FPH has been working in the political arena for some months, seeking alliances with Christian Democracy and the dissident groups of the Liberal Party. However, this front recently broke with all those bourgeois and reactionaries and is reportedly planning to participate in politics in an independent manner with Maldonado as its presidential candidate. This candidacy would undoubtedly be to the liking of the current members of the superior council of the armed forces who would view with approval the public participation in political activity of a former comrade in arms and one of the most talented officers that the army has had.

LIBERAL FRONT APPEALS TO VOTERS IN NEXT ELECTION

PA012326 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 1 Jun 81

[Text] This is a message to the Honduran people in general and to the followers of the United Liberal Front [FUL] in particular. Ramon Villeda Bermudez, one of the leaders of this liberal party, has a message for the Honduran people:

[Begin recording] We are going to take advantage of the fact that the FUL had its first anniversary yesterday to send this message to the members of the FUL and to the liberals who believe in the FUL in order to inform them and to apprise them of our position.

On 31 May the FUL completed its first year of existence. If we review our work and accomplishments, we can say that we have won the battle. Our optimism is based on results. The FUL won sympathy from the first day of its existence because it filled the vacuum left by the disappearance of great leaders. The FUL (?drafted) its platform in a few weeks and organized itself in the municipalities and departments at national level. We quickly collected more than 6,000 signatures, many more than those required by the regulations distributed by the previous central executive council as a procedure to recognize and register the new current of the Liberal Party.

The FUL also presented its platform and we submitted all the documents demanded of us. The enormous response and the determined support we found among the members of our Liberal Party permitted us to comply in 120 days with absolutely all the demands invented by those who were leading the destiny of the Liberal Party. As a result of that force, which is growing daily, we reaffirm that we have won the battle.

Although it is true that our request for registration was submitted on 30 September 1980 and that 8 months later the central authorities have still not replied, as required by simple courtesy, the principles of liberalism, the practice of democracy and above all what is good for the Liberal Party, that attitude of deplorable silence does not diappoint us because we understand that the selfishness of men is a temporary setback in the giant and democratic conduct of liberalism, whose doctrine grants all men and women the inalienable right to participate in political activities and to freely choose the trend and leaders capable of transforming liberal ideology into government action.

Although the central authority of the Liberal Party remains silent, the FUL is already registered in the hearts of most liberals. Therefore, we repeat that we have won the battle.

In a few days the liberals will lean the FUL's position. Its leaders are holding consultations with all our companeros throughout the country. With the support of the membership, we are going to promote a solid and very liberal strategy to win more battles. On this first anniversary of the FUL we take advantage of the festival of unity to send a message to all supporters who are part of or sympathyze with the FUL. With the united will of the membership of liberalism we will determine the results of the forthcoming primary elections throughout the country. Those elections are compulsory according to law for the selection of candidates for municipal corporations and the deputies who are to represent the people in the future national congress.

No more opportunism. No more disrespect for the will of the people. The vote is our weapon for the victory of the true liberals, the authentic leaders of every municipality and department, the true leaders of the country. For that support which the people must give their true local, departmental and national leaders of the liberal party, the FUL celebrates its first anniversary by proclaiming:

Companeros, we have won the battle. Let us prepare to select the best liberals, those who empathize with the people, those who think for the people, those who act for the people, those who are part of the people. That is the way to win the battle and to promote the liberal ideas.

With this message, in which we promise to carry forward the liberal ideas, we wish to go on record by stating that the FUL is on the battle footing. Next Thrusday we promise a message in which we will establish our position. Thank you. [end recording]

NICARAGUA

GOVERNMENT SILENT ON REPORT OF SOVIET TANKS

PA022150 Panama City ACAN in Spanish 1818 GMT 2 Jun 81

[Text] Managua, 2 Jun (ACAN-EFE)--The Nicaraguan Government has not commented on a Washington POST article on the alleged arrival in Nicaragua of Soviet "T-55" tanks and "MiG" planes.

The government junta has studied the article, but there was no immediate reaction to the contents of the newspaper dispatch which cited reliable U.S. intelligence reports.

A Sandinist government press spokesman said that Commander Daniel Ortega, coordinator of the government junta, has recently declared that Nicaragua has not bought any weapons.

Commander Ortega also said that the Sandinist government has asked several countries (he did not specify which) for military aid, but in the form of donations.

Regarding the improvement at some Nicaraguan airports, the commander said recently that these improvements are aimed at rendering better civilian services.

According to the Washington POST, U.S. officials "cannot confirm that the cargo (supposedly unloaded in Nicaragua) was tanks, and they could not specify how many were unloaded or what has become of them."

BORGE COMMENTS ON U.S. INDEMNIFICATION, EL SALVADOR

PA021254 Madrid EFE in Spanish 0040 GMT 2 Jun 81

[Text] Caracas, 1 Jun (EFE)--Nicaraguan Interior Minister Tomas Borge believes that the United States should indemnify Latin America for its constant aggression on the continent.

The Sandinist commander, in an interview, the first part of which was published today in EL DIARIO DE CARACAS, attacks the U.S. administrations which "have looted Latin America."

Borge, referring specifically to Nicaragua, said that although "imperialism is maintaining its aggressive essence," its forms of aggression have diminished because Nicaragua has broadened its influence.

He said that the visits that have been made to Venezuela and Libya as well as the visit Commander Daniel Ortega made to Mexico and the visits made by other leaders to other nations, as well as the Socialist victory in France have expanded the Nicaraguan revolution's political influence and have forced the United States to be more careful.

He said that the United States is going to grant Nicaragua a loan, which had been pending, for housing and that "they have diminished the rough tone of the big words that they had been using for some time."

In another part of the interview, the Sandinist commander refers to the situation in El Salvador. He expressed his desire that the people emerge victorious, but discounted the possibility of a guerrilla victory in the next few years.

Borge stressed that a political solution has to be sought in El Salvador because neither side can defeat the other, and, therefore, advocated this solution.

He said that Venezuela and Mexico should play the role of leaders in seeking that solution, and that Nicaragua is willing to contribute towards its achievement.

He said that at one time this solution was almost attained, but that it was curbed by the United States when it decided to send weapons to the Salvadoran Government to "militarily crush the guerrillas."

Regarding the ongoing process in Nigaragua, Borge explained that a pluralist concept prevails, because the mixed economy is not a Sandinist tactic but a strategic proposition.

SALVADORANS REPORTEDLY RETURN BOATS, KEEP SHRIMP

PA021542 Managua Radio Sandino in Spanish 1200 GMT 2 Jun 81

[Text] Certain governments have been charging that we are arming ourselves to the teeth even though we do not have an air force, a navy or a coast guard force to defend our sovereignty, Commander of the Revolution Bayardo Arce Castano said in a recent speech. That reality has become obvious once again when, with impunity, Salvadoran patrol boats violated our waters in the Gulf of Fonseca and seized two fishing boats owned by the Nicaraguan Fishing Institute.

The incident occurred last weekend, when fishing boats "Pancasan" and "13 de julio" were forced to sail toward the Salvadoran port, El Tamarindo, where the authorities of that country threatened and interrogated the crew in a humiliating manner. The latter were later released, but the Salvadorans kept 1,800 pounds of shrimp that were in the boats' holds. Shrimp has a good price in the international market. Our sailors were warned that if they revealed these developments, they would be sunk the next time.

Naturally, this unfriendly action will lead to yet another protest note from our government, which the Salvadoran Government once again will not answer. It is vital that revolutionary Nicaragua be provided with an effective naval force to defend our sovereignty and our country's rights in its territorial waters.

LA PRENSA NOTES APPROVED FORUM RULES, REGULATIONS

PA021946 Managua LA PRENSA in Spanish 29 May 81 pp 1, 8

[Text] The forum is on. The rules and regulations for the discussions that will take place between representatives of the Sandinist National Liberation Front and its supporters and the independent political parties were approved at noon Thursday.

It was agreed that the labels of "counterrevolutionary," "reactionary," and "traitor" applied to democratic political parties will be excluded from the offensive language used by the government media.

Now these parties will be called forces that "dissent" from, but support, the revolution. The rules and regulations state:

1. A forum will be convoked to discuss national problems. The discussions will take place between the forces of the revolution and the forces that support the revolution but dissent from its leadership, to secure practical agreements that will make it advance.

2. Each delegation will be composed of seven members, and at least three of these members must be permanent.

3. The National Council of Higher Education, CNES, as the highest authority for the higher education institutions of the country, will choose and propose a highly responsible and impartial moderator for the participating delegations.

The functions of the moderator will be:

A. To open sessions and to announce the subject.
B. To explain and to apply the rules that must be respected by all.
C. To give the floor to the speakers.
D. To control the length of time of speeches.
E. To summarize, once all speakers have had the floor, the various opinions and to point out the areas where, in his opinion, there was agreement.
F. To announce the agenda for the following session and to ask the delegations for their approval.
G. To choose as an aid a secretary who must be approved by the delegations.

The moderator and the CNES must coordinate the necessary services and physical resources.

5. [As published] The CNES, through the John XXII Institute and The Central American Institute of Business Administration, can provide written statistical reports to any participant requesting them.

6. The forum, based on mutual agreement, can request the participation, as guests, of institutions (the government, the church and so forth) that can make contributions by stating their points of view on specific subjects. In this case, the speaker will deliver his lecture and then answer questions on the subject during a 1 hour period. Each delegation has the right to present its own position.

7. The discussions in the forum will be open to observers interested in the matter, but these observers will not participate in the debates. The presence of the observers must be approved by the participating delegations, each of which can invite a maximum of five observers.

8. The forum will be carried out in consecutive 2-day sessions, Saturday and Sunday. Thursday will be the day for revisions, editing, signing and the publication of agreements. Two copies of the agreements will be signed.

9. At the beginning of each meeting, a person chosen by each of the two delegations will present the subject at hand. After the two speeches--which must not last more than 30 minutes--are delivered, the participants will immediately open the subject for discussion.

During the debates, the moderator will give the floor to the participants, who may use the floor for a maximum of 5 minutes. During the debates each delegate will have the right to use the floor at least once.

10. A recording or any other method will be used to record the speakers' deliveries in their entirety. The debates and discussions on the subjects will also be compiled.

11. At the end of the debates, each one will be summarized. The moderator will indicate the moment when the debate will move to the summary phase and he will indicate where, in his honest opinion, there was agreement.

12. The two sides are free to tell the Nicaraguan people about how the meetings are going.

13. The following order will be observed at the beginning of each meeting of the forum:

A. The two delegations will verify the assistance of the participants.
B. Signed agreements will be read.
C. The session will be opened.
D. The agenda for the following meeting will be prepared.

14. The agreements signed during the forum for a national discussion will constitute the political will of the participants so that the agreements can be put into practice without delay by institutional means and with the cooperation of the participating organizations.

NUNEZ SPEAKS FOR FPR ON FORUM, CHURCH ROLE

PA022205 Managua Radio Sandino in Spanish 1200 GMT 2 Jun 81

[Text] The forum for the discussion of national problems is now materializing. The Patriotic Front of the Revolution [FPR] met yesterday and appointed its delegates as well as the observers who will be invited by the parties involved in the process.

Delegates for the parties include Nathan Sevilla and Commander Carlos Nunez for the Sandinist National Liberation Front [FSLN], Gustavo Tabloada for the Nicaraguan Socialist Party, Cesar Delgadillo for the People's Social Christian Party, Eli Altamirano for the Nicaraguan Communist Party and Alejandro Gutierrez for the People's Action Movement. The Independent Liberal Party will appoint its delegate today.

Following the forum's rules, the FPR has already announced that 25 observers will participate in the talks covering the five areas into which the national problems have been divided. Four observers from the Nicaraguan Labor Coordination Organization [CSN] and one from the state will participate in the labor talks; in the social area talks, there will be one observer from the state, one from the CSN, one from the Sandinist defense committees and two from Zelaya department; in the juridical area, there will be one observer from the state, one from the Supreme Court of Justice, one from the CSN and one from the Law Students Association; and in the economic area, there will be one observer from the CSN, one from the National Union of Farmers and Cattlemen, two businessmen and one observer from the state. In the political area, the FPR has decided to invite five observers from the political parties that are participating in the process.

Almost everything is ready, despite attempts to undermine this project which are apparently being made by certain dissident or anarchical groups and by those groups interested in creating confusion.

The representatives of the parties that comprise the FPR met yesterday afternoon for more than 3 hours to analyze the final details before the opening of the forum for the discussion of the national problems. Following the meeting, Commander of the Revolution Carlos Nunez read a document that clearly defines the revolutionary sectors' positions as well as the responsibility assumed before the Nicaraguan people in connection with the forum.

The principal objective of the forum, we reaffirm, is to bring all the national forces as close together as possible in order to preserve peace, the document begins.

If the worst happens, we Nicaraguans, working on the basis of this unity, will repel the agression that seeks to give control back to Somozism and imperialism, the document adds. Hence, our interest in seeking convergent solutions to specific problems without reaching impossible general pacts or agreements, the FPR continues. The peace needed for the country's development will result from the collective efforts of the revolution's parties.

A general criticism of the attitudes adopted by the leaders of certain dissident groups follows: After each meeting, these groups make an effort to take on the appearance of a belligerent force which issues communiques proposing initiatives, issuing dissents, and engaging in speculation. The social democrats' case is clearly pointed out by the FPR: Proposals are being made that go against patriotic sentiments and it is within this framework that one must view the alleged [word indistinct] with the church and its hierarchy. In spite of the agreements reached at the meetings held by the delegates to the preparatory committee, political groups such as that of the social democrats goad each other in a way that creats mistrust in the organization of the forum.

No one is so deaf as he who will not hear or so blind as he who will not see, that is a known fact. So what do the dissident groups seek by trying to create the impression that the FSLN, the revolutionary parties and the church and its hierarchy are at odds?

Concerning the installation of the forum for the discussion of national problems, it was established from the beginning that if anyone wanted to participate on the side of the rightwing political groups, he was free to do so, but efforts are still being publicly made to make believe that the forces of the revolution intransigently oppose the church hierarchy's participation in the forum. It is being insisted that the church should guarantee the agreements reached to solve our political problems.

Commander Carlos Nunez will now read that part of the FPR document that refers to this:

[Begin recording] Efforts are being made publicly to show that the forces of the revolution intransigently oppose the presence of the church hierarchy at the forum for the discussion of the national problems, deliberately ignoring a number of concerns set forth in the course of the discussions to the effect that the separation among church, state and party policies should be maintained at a suitable distance. Furthermore, efforts are being made at all times to involve the church in the country's political problems, presenting it as guarantor of the agreements that might be adopted at the forum. They do so without stopping to think for a single moment whether this attitude and this conduct create a serious problem for the church by subjecting it to a number of contradictions, forcing it to participate in matters that belong exclusively to the political parties and making it violate the basic postulates of its ecclesiastical mission, thus confusing the Nicaraguan people.

Once again we raise the same questions: Are these attitudes aimed at hindering the installation of the forum which will discuss national problems? Are efforts being made to present the forces of the revolution as intolerant and unreceptive organizations which are enemies of the church? We hereby firmly express our wish and desire to prevent a gross manipulation of the religious feelings of our people and of the church hierarchy. We do this because we fully understand the advances and transformations that have taken place throughout history, which prove that church and state should remain separated and that religious practices should be viewed as a [word indistinct] attitude of Nicaraguan citizens, while we should be extremely careful not to involve ourselves in religious problems.

Those who, in defending party positions, seek to involve the church in eminently political problems do wrong, particularly when they have not dared to define their positions at the talks, yet publicly fake an ability to take initiatives, which they have not really demonstrated at any time. [end recording]

PARTIES DIFFER ON SUPPORT FOR POLITICAL FORUM

PCD Not To Participate

PA030207 Madrid EFE in Spanish 0742 GMT 2 Jun 81

[Text] Managua, 2 Jun (LATIN-REUTER)--Nicaragua's Democratic Conservative Party [PCD] last night refused to participate in a national forum of political groups opening on Saturday, it has been officially reported.

The forum was called last week by the Patriotic Front of the Revolution [FPR], Nicaragua's official party, to seek national unity to help solve the nation's political and economic problems.

Clemente Guido, coordinator of the party, said that it decided to not to participate because of the fact that the Sandinist National Liberation Front [FSLN] had not agreed to discuss the revolution's deviations.

Meanwhile, the Social Democratic Party today conditioned its participation in the forum on the Catholic Church's being invited as a permanent observer.

As of now, the parties that have agreed to participate in the forum are the parties that make up the FPR: the FSLN, the People's Social Christian Party, the Indpendent Liberal Party and the Nicaraguan Socialist Party.

Other parties also participating but which are not members of the FPR are the Communist Party of Nicaragua and the Popular Action Movement.

The opposition Nicaraguan Democratic Movement, the Social Christian Party and the Constitutionalist Liberal Party, all described as "of the left," have begun preliminary talks to establish the bases upon which the forum will be conducted.

Nicaragua is facing a serious economic crisis and external pressure due to accusations that it has served as a launching pad for the trafficking of arms for the Salvadoran guerrillas who are trying to overthrow the government of that country.

PSC Lends Full Support

PA030350 Managua Radio Sandino in Spanish 1800 GMT 2 Jun 81

[Excerpt] The president of the Social Christian Party [PSC] says that the party has not had the slightest doubt regarding its participation in the forum. PSC President Adan Fletes informed Radio Sandino today that his party is not at all hesitant to participate in the forum.

We of the PSC have been working shoulder-to-shoulder with the Sandinist National Liberation Front in preparing for the forum, Adan Fletes told Radio Sandino today. Fletes said that the PSC had already implemented specific measures for national unity both at the national and international level.

UNIVERSITY SPOKESMEN NOTE DISRUPTIVE STUDENT PLOT

PA030117 Managua Radio Sandino in Spanish 1800 GMT 2 Jun 81

[Text] The University Center of the Autonomous National University of Nicaragua [CUUN] today protested the existence of a political plan to break up the student movement. CUUN spokesmen said that a group of 4th and 5th year law, engineering and business administration students of the Central American university, under the pretext of requesting student demands, are planning to create conflicts in study centers and to confuse youth.

It was said that these sectors intend to ask the National Superior Education Council to organize a special semester from September to March in order to further their studies and in order not to participate in the productive efforts of the cotton harvest programmed for those months.

The school year began in April and is due to end in September. It will be followed by an education improvement course until December. Classes begin again in March 1982, after 2 months of productive work in the fields.

The education council drafted this program in order to raise the student's academic level and to regulate the semester period. However, these students, the CUUN members say, plan to hold a strike involving even high school students if their demands are not met, and they claim that the Sandinist government forces students to work.

They also intend to boycott the next National Student Union Congress scheduled for July, the CUUN delegates said in conclusion.

'INTERVENTION,' NOT 'CONFISCATION' IN PASTORA CASE

PA021602 Managua Radio Sandino in Spanish 1200 GMT 2 Jun 81

[Text] Administrative intervention is the legal term applicable to the measure adopted by the Ministry of Agricultural Development and Agrarian Reform in connection with Adolfo Pastora's 14,000 manzanas of land in Rivas. Eduardo (Holman), who is in charge of the ministry's offices in the third region, has explained the situation. According to him, there has been no land invasion. On the contrary, the permanence of some 300 families on the property has been respected in order to begin organizing them into cooperatives.

Whenever administrative intervention occurs, it is because it has been proven that the owner is not capable of making a large estate productive. (Holman) stressed that the government junta through its appropriate structures will be the one to decide whether land is to be confiscated. No rent is paid to the owner during an administrative intervention, but the land is given to peasant cooperatives for their use. Pastora's vast estate covers about 14,000 manzanas.

CTN OFFICIAL SCORES LEADERS' ARRESTS, REPRESSION

PA310355 Managua LA PRENSA in Spanish 24 May 81 pp 1, 8

[Text] Carlos Huembes, secretary general of the Nicaraguan Workers Federation (CTN), charged on Saturday morning that six peasants and two directors of the CTN union in Rancho Grande, Matagalpa, have been imprisoned. He also charged that CTN leaders Enrique Velarde and Reinaldo Mendez had been detained in Nandaime while carrying out advisory tasks.

Regarding those detained in Matagalpa, Huembes said that in order to learn about their situation, they had contacted Commander Bayardo Arce, who promised to discover the prisoners' whereabouts. He later reported that nobody had been able to inform to him about them.

"It is ridiculous that Arce should not know where these workers are being detained, considering that he is a member of the Sandinist National Liberation Front directorate," Huembes commented.

He then added that the CTN had contacted government junta coordinator Daniel Ortega to repudiate strongly this new violation of trade union freedom and human rights. The note sent to the commander states that this is not the first time that Velarde has been detained, as was done this time when he arrived to carry out advisory tasks at the Javier Guerra sugar mill. Donald Castillo Orozco was also arrested while preparing the national dialogue alongside other peasants.

According to the CTN leader, while there is talk of justice at the national level and the implementation of revolutionary justice is sought through a legal seminar, that same justice is left unprotected, without anybody to turn to for a habeas corpus because the magistrates are engaged full time in the seminar.

Finally, Huembes said that "now, while a seminar on revolutionary and popular justice is being held, trade union repression has been intensified the most."

BRIEFS

LATIN AMERICAN INFORMATION AGENCY--Guillermo Jose Villanueva, radio and press officer of the Interior Ministry, has gone to Panama to participate in the creaton of the committee that will establish the Latin American Special Information Services Agency, ALASEI. The creation of this agency is considered a step forward toward the establishment of a new international information system. [Text] [Managua International Service in Spanish 0030 GMT 29 May 81 PA]

HAVANA VIEWS U.S. INTELLIGENCE REORGANIZATION

FL301507 Havana Domestic Service in Spanish 1045 GMT 30 May 81

[Text] The Ronald Reagan administration has undertaken the expansion of U.S. intelligence services, which means that its secret operations will increase. The CIA and 10 other intelligence organs will shortly receive some $10 billion in the 1982 budget. This amount is more than 7 percent above the present allocation and does not represent the actual total but is merely the tip of the iceberg, as TASS notes.

A considerable part of this huge sum will be spent in the collection of information with the aid of spy satellites and other sophisticated technology. The main role in the U.S. espionage community will be assigned as before to the Central Intelligence Agency, except that it will now have much more power in the United States and abroad. The CIA will have even greater powers to spy on social and political organizations within the United States itself by having its agents and provocateurs infiltrate them.

The CIA has been tranted the right to take over propaganda operations, bribe political leaders and create small armies in and out of the country--all this as a result of a presidential decree that justifies these actions as indispensable measures to support the goals of U.S. foreign policy.

The U.S. NEWS AND WORLD REPORT weekly disclosed that CIA head William Casey is giving special attention to the expansion of secret operations overseas. In this connection, it was revealed that the CIA proposes to increase the scope of subversive actions, calling for the formation of new cadres of saboteurs and experts on terrorism.

PRESIDENT FIDEL CASTRO TO VISIT MEXICO SOON

PA021820 Madrid EFE in Spanish 1734 GMT 2 Jun 81

[Text] Mexico City, 2 Jun (EFE)--Although the date has not yet been set, Cuban President Fidel Castro will visit Mexico soon, Osmani Cienfuegos, vice president of the Cuban Council of Ministers has told the Mexican newspaper EXCELSIOR.

The Mexican paper reports that the visit might take place before the end of the current government term in December of 1982.

Castro visited Mexico in 1979 and President Lopez Portillo returned the visit in 1980.

CUBAN EXILE: CASTRO ORDERED DEATH OF CIENFUEGOS

PY030227 Buenos Aires TELAM in Spanish 1625 GMT 2 Jun 81

[Text] Lima, 2 Jun (TELAM)--A former combatant in the Sierra Maestra, who was a member of Camilo Cienfuegos' squadron and later was a prison companion of Huber Matos, confirmed that Castro ordered the assassination of Cienfuegos. This was done because of the greater popularity of Cienfuegos and the affection which Cubans had for him. It was also done because Cienfuegos was totally against communist ideas.

The Cuban, who asked not to be identified for fear of reprisals, said that he was with Matos in prisons on the Isle of Pines and (La Cabana). Cienfuegos was assassinated and various political prisoners who did not agree with communist ideas and condemned the event were sent to other prisons. Their whereabouts are unknown, he said.

SOVIET MILITARY DELEGATION VISITS COUNTRY

Arrives in Havana

FL251742 Havana Domestic Service in Spanish 1700 GMT 25 May 81

[Text] A delegation of the Central Political Directorate of the USSR Army and Navy led by Col Gen Aleksey Lizichev yesterday arrived in our country in response to an invitation of the Revolutionary Armed Forces (FAR) Ministry. Col Gen Aleksey Lizichev is deputy chief of the Central Political Directorate of the USSR Army and Navy.

Col Armando Saucedo Yero, member of the party Central Committee and first deputy chief of the FAR Central Political Directorate, received the visitors at the airport. Others present included Navy Capt Eladio Calvo Gonzalez, alternate member of the party Central Committee and deputy chief of the FAR Central Political Directorate; and Lt Gen Sergey Krivoplyasov, the principal military adviser to the FAR Ministry.

During its stay in our country, the delegation will visit military units and places of historic interests. It also will hold meetings with FAR political workers.

Received by Military Official

FL261107 Havana Domestic Service in Spanish 1045 GMT 26 May 81

[Text] Div Gen Senen Casas Regueiro, alternate member of the PCC Politburo, first deputy minister of the Revolutionary Armed Forces [FAR] and chief of general staff, yesterday received at the FAR Ministry Col Gen Aleksey Lizichev, deputy chief of the Central Political Directorate of the USSR Army and Navy.

The high-ranking military chief heads a delegation of the Central Political Directorate of his country's armed forces, which is paying an official and friendly visit to Cuba in response to an invitation of the FAR Ministry.

Participating in the talks, which were held in a very cordial atmosphere, were the rest of the members of the military delegation: Col Armando Saucedo Yero, member of the PCC Central Committee and first deputy chief of the FAR Central Political Directorate; Navy Capt Eladio Calvo Gonzalez, alternate member of the PCC Central Committee and deputy chief of the FAR Central Political Directorate; Lt Gen Sergey Krivoplyasov, the principal military adviser to the FAR Ministry, and other Soviet military advisers.

Party Official Meets Lizichev

FL281314 Havana Domestic Service in Spanish 1045 GMT 28 May 81

[Text] Antonio Perez Herrero, alternate member of the PCC Politburo and member of the Central Committee Secretariat, received at the main offices of the PCC Central Committee Col Gen Aleksey Lizichev, deputy chief of the Central Political Directorate of the USSR Army and Navy. General Lizichev heads a military delegation which has been paying an official and friendly visit to our country since 25 May. Its members toured places of historic and economic interest and units of the Revolutionary Armed Forces.

Also present at the meeting was Navy Capt Eladio Calvo, alternate member of the PCC Central Committee and deputy chief of the FAR Central Political Directorate. The talks were held in a fraternal atmosphere, and the two sides exchanged views on the visit to our country by the Soviet military delegation and other topics of bilateral interest.

Visits Isle of Youth

FL292140 Havana Domestic Service in Spanish 2130 GMT 29 May 81

[Text] A military delegation led by Col Gen Aleksey Lizichev, deputy chief of the Central Political Directorate of the USSR Army and Navy, visited the Presidio Modelo Museum on the Isle of Youth, where the attackers of the Moncada barracks were jailed.

During a visit made by the military delegation to the House of Friendship in Nueva Gerona, Roberto Ogando, president of the People's Government Municipal Assembly, explained in detail the socioeconomic plans of the Isle of Youth special municipality. While there, the delegation also saw a ceramics exhibit and other of local industries.

Delegation Returns Home

FL021119 Havana Domestic Service in Spanish 1045 GMT 2 Jun 81

[Text] Col Gen Aleksey Lizichev, deputy chief of the Central Political Directorate of the USSR Army and Navy, yesterday left for his country after an official and friendly visit to Cuba at the head of a military delegation which came here at the invitation of the Revolutionary Armed Forces (FAR) Ministry.

The Soviet military officers were seen off at Jose Marti International Airport by Col Armando Saucedo Yero, member of the party Central Committee and first deputy chief of FAR's Central Political Directorate; Navy Capt Eladio Calvo Gonzalez, alternate member of the party Central Committee and deputy chief of the FAR's Central Political Directorate; and section chiefs of that directorate.

Vitaliy Vorotnikov, USSR ambassador to Cuba; Lt Gen Sergey Krivoplyasov, the FAR Ministry's principal military adviser; and other Soviet military advisers were also at the air terminal to bid farewell to the delegation.

REPORTAGE ON CSSR FOREIGN MINISTER'S VISIT

Arrives at Airport

FL251212 Havana Domestic Service in Spanish 1100 GMT 25 May 81

[Text] Bohuslav Chnoupek, member of the Czechoslovak Communist Party Central Committee and that country's foreign minister, arrived in Havana in response to an official invitation. Isidoro Malmierca, member of the PCC Central Committee and Cuba's foreign minister, met the Czechoslovak leader and the delegation he heads at the air terminal.

During its stay in our country, the visiting delegation will hold talks with high government and party leaders and will visit centers of historic and tourist interest.

Malmierca, Chnoupek Talks

FL252043 Havana Domestic Service in Spanish 2034 GMT 25 May 81

[Text] Official talks between the Foreign Relations Ministries of the Czechoslovak Socialist Republic [CSSR] and Cuba opened today at the Foreign Ministry in this capital. Isidoro Malmierca, member of the party Central Committee and minister of foreign relations; and Bohuslav Chnoupek, foreign minister and member of the CSSR Communist Party Central Committee, head the delegations of their respective countries.

Malmierca hosted a cocktail party in honor of Minister Bohuslav Chnoupek and the delegation accompanying him, during which the diplomatic corps accredited to Cuba had the opportunity to greet the official of the fraternal country.

Chnoupek was Czechoslovak ambassador extraordinary and plenipotentiary in the USSR from September 1970 to January 1972, after which he was named foreign minister of the fraternal country.

Signs Cooperation Agreement

FL261918 Havana Domestic Service in Spanish 1902 GMT 26 May 81

[Text] The Cuban and Czechoslovak foreign ministers, Isidoro Malmierca and Bohuslav Chnoupek, respectively, signed a cultural, educational and scientific cooperation agreement in Havana today. The agreement stipulates that the contracting parties will develop and intensify efficient and multifarious cooperation and exchanges of experiences in the fields of science, education, culture and art.

The agreement calls for the establishment of a Cuban-Czechoslovak intergovernmental joint committee for cultural, educational and scientific cooperation.

Armando Hart Davalos, member of the party Politburo and minister of culture, attended the signing of the cultural, educational and scientific cooperation agreement between Cuba and Czechoslovakia.

During the signing ceremony of the cooperation agreement between Cuba and Czechoslovakia in Havana, the foreign minister of the European country, Bohuslav Chnoupek, decorated Isidoro Malmierca with the gold medal with the foreign relations ribbon. During the ceremony, the Czechoslovak foreign minister emphasized that the merits of the Cuban minister in carrying out Cuba's international policy of principles were considered when it was decided to award him the medal. He added that the medal of the Czechoslovak Society for International Relations is awarded for strengthening friendship and cooperation between nations.

For his part, Isidoro Malmierca expressed gratitude for the honor bestowed on him and reaffirmed his willingness to continue his work for the most solid relations between Cuba and Czechoslovakia and for world peace.

Castro, Chnoupek Talks

F1271018 Havana Domestic Service in Spanish 1000 GMT 27 May 81

[Text] Commander in Chief Fidel Castro held fraternal and friendly talks with Bohuslav Chnoupek, member of the Czechoslovak Communist Party Central Committee and foreign minister, who is visiting our country at the invitation of Cuban counterpart Isidoro Malmierca. During the meeting, the conversation focused on the relations between Cuba and Czechoslovakia, as well as some international topics of mutual interest.

Earlier in the day, the illustrious visitor met with Carlos Rafael Rodriguez, member of the PRC Politburo and vice president of the Councils of State and Ministers. During the meeting, in which the two countries' efforts in favor of the cause of socialism and peace were brought up, important topics on the current world situation were discussed.

Visits Namibian Students

FL281136 Havana Domestic Service in Spanish 1000 GMT 28 May 81

[Text] Bohuslav Chnoupek, member of the Czechoslovak Communist Party Central Committee and Czechoslovakia's foreign minister, and the delegation he heads, were accorded a warm welcome by the Namibian youths attending the (Hendrich Goodboy) Secondary School on the Isle of Youth.

During a tour of the school by the visiting delegation, one of the students read a welcoming communique which notes the high academic results and agricultural work production achieved by the 601 students of the center as well as the satisfaction of being educated in a country such as Cuba.

In a brief farewell speech, Chnoupek expressed solidarity with the struggle being waged by the South West African People's Organization and thanked the students for the warm welcome accorded him and the members of the delegation.

Joint Communique Signed

FL021014 Havana Voice of Cuba in English to North America and the Caribbean 0700 GMT 2 Jun 81

[Text] Cuba and Czechoslovakia have firmly condemned the political, economic and military aid the U.S. is giving the Salvadoran regime. They also expressed unqualified support for the Nicaraguan and Grenadian people's anti-imperialist struggle. The statement is contained in a joint communique signed in Havana at the end of an official visit to Cuba by Czechoslovakian Foreign Minister Bohuslav Chnoupek.

Chnoupek met with Cuban head of state Fidel Castro and other high-ranking leaders.

They condemn Zionist attacks against Lebanon and reaffirm their conviction that there won't be a lasting peace in the Middle East until the Palestinian people's legitimate rights to self-determination and independence are recognized.

The document praises the important role played by the Nonaligned Movement in the maintenance of international security. It also says the movement is a (?relevant) factor in the people's struggle against colonialism, neocolonialism and imperialism.

Czechoslovakia says it highly values Cuba's internationalist aid to the peoples fighting for liberty and condemns Washington's provocations against Cuba.

While in Havana, Chnoupek signed a bilateral agreement for cultural, educational and scientific cooperation.

Foreign Minister Ends Visit

FL021118 Havana Domestic Service in Spanish 1100 GMT 2 Jun 81

[Excerpt] Bohuslav Chnoupek, foreign minister of the Czechoslovak Socialist Republic, has left for home following an official and friendly visit to our country at the invitation of Cuban Foreign Minister Isidoro Malmierca.

NATIONAL ASSEMBLY MEETING ANNOUNCED FOR 25-26 JUNE

FL291203 Havana Domestic Service in Spanish 1045 GMT 29 May 81

[Text] The first ordinary meeting of 1981 of the People's Government National Assembly in 1981 has been convoked for 25 and 26 June at Havana's Palace of Conventions. In accordance with article 76 of the republic's constitution, Dr Raul Roa Garcia, president ad interim of the National Assembly, is responsible for convoking the deputies.

The agenda includes discussing and approving reports submitted by the People's Supreme Court and the republic's attorney general for the year 1980. The delegates will also examine, discuss and approve the reports submitted by provincial assemblies and the special municipality of the Isle of Youth. The agenda also includes the ratification of decree laws and agreements of the Council of State, the examination of the situation in the educational field in the country and discussing and approving the liquidation of last year's budget.

The reports on free time and recreation and on international activities of the National Assembly will also be submitted to the consideration of the deputies.

Elections for more than 1,700 delegates to the people's government assemblies of 169 municipalities will be held next October. The first round of the electoral process will take place on 11 October and the second 7 days later. All Cuban citizens older than 16 years, men and women, including members of the armed forces, have a right to vote and to be elected delegates to the municipal assemblies. Only persons mentally disturbed, if so declared by a judicial process, and those serving sentences pronounced by courts in connection with criminal cases are exempted from the right to vote or be elected. This will be the third election of delegates to municipal assemblies to be held in Cuba. The first one took place 5 years ago and the law orders that they be held every 2 and 1/2 years. The republic's constitution states that the vote is free, equal and secret in all elections and that each elector has the right to cast one vote.

On another matter, the municipal assemblies, during the same meeting in which they are established, after selecting the members of their executive committees, will proceed to elect by secret ballot the delegates to the provincial assemblies. The law also dictates that on the date designated by the Council of State, the municipal assemblies will meet to elect the deputies to the National Assembly. The National Assembly is the only organ of the state having constituent and legislative power in the republic and is elected for a 5-year term. By the end of 1981 deputies will be elected to the national assembly for the second time in our history.

RAUL CASTRO DECORATED BY USSR SUPREME SOVIET

FL021833 Havana Domestic Service in Spanish 1700 GMT 2 Jun 81

[Text] The USSR Supreme Soviet has awarded the Order of the October Revolution Army Gen Raul Castro, minister of the Revolutionary Armed Forces--FAR--of Cuba. The decree law, signed by the highest Soviet leader, Leonid Brezhnev, stresses that the award is conferred on Cuba's FAR minister for his great contribution to the development and bolstering of the friendly relations between the two countries' armed forces and on the occasion of his fiftieth birthday.

COOPERATION PROTOCOL SIGNED WITH BURUNDI

FL022026 Havana Domestic Service in Spanish 2009 GMT 2 Jun 81

[Text] Artemon Simbananiye, ambassador-permanent representative of the Republic of Burundi to the United Nations and accredited to Cuba, has noted our country's efforts in favor of the appeal of the so-called Third World and its role within the nonaligned countries movement. The statement was made at the conclusion of the signing ceremony of the protocol on the first intergovernmental meeting on cooperation between the governments of Cuba and Burundi, held at the Sierra Maestra Hotel in this capital.

Simbananiye expressed gratitude for the technical assistance given to the central African country by Cuba and conveyed greetings from Burundi President Col Jean-Baptiste Bagaza to Fidel.

The document signed today by Cuba and Burundi includes programs to be fulfilled during the 1981-82 period in the branches of health, education, agriculture, the cattle industry and the sugar industry as well as in the training and formation of cadres.

RISQUET PARTICIPATES IN MONGOLIAN PARTY CONGRESS

For reportage on the participation of Jorge Risquet Valdes, member of the PCC Central Committee Politburo and Secretariat, in the 18th Congress of the MPRP in Ulaanbaatar, see the Mongolia section of the 28 May and subsequent issues of the Asia & Pacific DAILY REPORT.

BAHAMAS

PINDLING NOTES U.S. APATHY TOWARD AREA PROBLEMS

FL021507 Bridgetown CANA in English 1411 GMT 2 Jun 81

[Excerpts] Nassau, Bahamas, 2 Jun (CANA)--There are "compelling reasons why exemptions granted to Mexico and Canada" last year by the United States Government on its 1976 tax legislation which removed the tax exemption on business conventions held outside the U.S. should be extended to the Bahamas and the Caribbean region, Prime Minister Lynden Pindling said today. The chief executive, addressing the opening session of the 33rd annual western regional conference of the American Society of Travel Agents (ASTA) here expressed his "trust that the announced policy of the present U.S. administration to take more seriously the economic and social problems of countries in this area offers a glimmer of hope for the Bahamas and the Caribbean region to be exempted from this legislation which threatens our very livelihood."

Mr Pindling told 600 travel agents from the western U.S. that the Bahamas, Caribbean countries, Bermuda, Mexico, Canada and others have been trying since 1976 to have the exemption restored. And even though the Bahamas had presented the strongest possible case, clearly detailing how this restriction acts against the best economic and common interests of our two countries, he reported, there has been no positive movement in correcting the situation.

While the U.S. Government late last year extended the tax exemption for conventions to its oil-producing neighbors of Canada and Mexico, said the region's senior statesman, "a deaf ear was turned to the pleas of its other neighbors including this developing democratic country and close friend..." He pointed out that the U.S. went further last year and imposed the tax on conventions held on board cruise ships sailing from U.S. ports "which accounts for one-third of our total tourism business." The PM argued that, the Bahamas and the Caribbean are not oil and gas producers like Mexico and Canada. "But there are other good and compelling reasons why the exemptions granted to Mexico and Canada ought to be extended" to this country and the region.

ASTA chief executive Joseph R. Stone added that the Bahamas and Jamaica are two countries "of special interest to us."

The Bahamas director of tourism, Baltron B. Bethel, was queried about the lobbying efforts underway on behalf of this country and the region. He revealed that representations between the Bahamian Ministry of External Affairs and the U.S. State Department have taken place. "We've exchanged letters and they've clarifed many issues. Our lawyers in Washington are representing the interest of our government and the situation is under review from a legal point of view," he said. According to Mr Bethel, lobbyists have represented this region's point of view on the house ways and means committee, the Senate Finance Committee and the U.S. Department of Transportation.

DOMINICA

RASTAFARIAN CONFESSES TO KIDNAPPED FARMER's MURDER

FL022221 Bridgetown CANA in English 2215 GMT 2 Jun 81

[By Peter Richards]

[Excerpt] Roseau, Dominica, 2 Jun (CANA)--Ted Honychurch, a prominent Dominican farmer abducted from his home 12 February by armed men, was shot and killed 1 day later and his body burnt to remove evidence, police said.

In a statement, police said that one of the alleged kidnappers, Eric Joseph, now in hospital, today confessed to the murder of Honychurch, who was the father of government's press spokesman, Lennox Honychurch.

The statement said, "final information was gained this morning through a confession by Joseph, who has been a patient at the Princess Margaret Hospital since 12 March from Boetica (name of district) in a weak condition.

"This morning following further questioning Eric Joseph confessed that he was the one who had shot Mr Honychurch through the head with a 303 rifle at point blank range on the orders of group leader Leroy Ettienne. The youths then burned the body so as to destroy any evidence of the incident."

Honychurch was kidnapped along with his wife, gardener and housekeeper following a shootout between police and the men who burnt the farmer's home. The three other hostages were later released. Two of the gunmen were killed in the clash.

The abductors, members of the long-haired Rastafarian cult had sent a number of demands to government, including an enquiry into the shooting, the release of three prisoners condemned to die for murder and an end to alleged police harassment. The government flatly rejected the demands, and urged the group of Rastas (called Dreads here) to free Mr Honychurch and lay down their arms.

The police statement said that the body of the farmer was burnt in the Berlin area near Morne Anglais, south of the capital, Roseau.

GRENADA

CONDOLENCES SENT ON DEATH OF ECUADOREAN PRESIDENT

FL022233 Bridgetown CANA in English 2230 GMT 2 Jun 81

[Text] St Georges, Grenada, 2 Jun (CANA)--Grenada's Prime Minister Maurice Bishop has sent a sympathy message to the government of Ecuador on the recent death of President Jaime Roldos Aguilera in a plane crash.

Text of the message: "On behalf of the people's revolutionary government, the people of Grenada and on my own behalf, I extend sincere expressions of sympathy to the government and people of Ecuador on the sad and tragic death of the late esteemed president, his excellency, Jaime Roldos Aguilera and on the loss of lives of members of his family and entourage.

"In this moment of mourning, I also extend my deepest sympathy to the families of those who died and wish them the best of health and prosperity in this saddened moment."

TRINIDAD AND TOBAGO

CENTRAL BANK SUSPENDS TRADING IN GUYANA DOLLARS

FL021841 Bridgetown CANA in English 1759 GMT 2 Jun 81

[Text] Port-of-Spain, Trinidad, 2 Jun (CANA)--The Trinidad and Tobago Central Bank says it has suspended trading in Guyana dollars, following that country's decision to devalue its currency. The bank in a statement yesterday said its Guyana counterpart had stopped trading in foreign currency for an indefinite period, and commerical banks here were urged not to deal in Guyana dollars.

Guyana yesterday announced that with effect from today, it was untying its currency from the U.S.dollar and pegging it instead to a basket of currencies of the country's main trading partners. The devaluation was about 15 per cent.

PRESIDENT BURNHAM RECEIVES CUBAN OFFICIAL

FL261036 Havana Domestic Service in Spanish 1000 GMT 26 May 81

[Text] In Georgetown Guyana's President Forbes Burnham has received Manuel Yepe, vice president of the Cuban Institute of Radio and Television, with whom he held talks for almost 2 hours. During the meeting, the Guyanese head of state noted the struggle of the nonaligned countries for a new world information order, and gave an extensive explanation on the situation in that country and the Caribbean.

Manuel Yepe headed the Cuban delegation to the fifth meeting of the Guyana-Cuban Intergovernmental Council for Information.

FOREIGN MINISTER JACKSON TO VISIT COLOMBIA

FL122013 Bridgetown CANA in English 1957 GMT 12 May 81

[Text] Georgetown, Guyana, 12 May (CANA)--Guyana's foreign minister Rashleigh Jackson is to pay an official visit to Colombia early next month, the foreign ministery here has announced. The visit, at the invitation of his Colombian counterpart, Dr Carlos Lemmos Simmonds, is to discuss "matters of mutual concern to both countries in the international field and to make firm arrangements for the strengthening of their economic, commercial and cultural relations," the ministry said.

Guyana and Colombia both have current border disputes with neighboring Venezuela, but the ministry did not say whether these would be discussed during Mr Jackson's visit. Guyana and Colombia established into diplomatic relations in December 1970.

GUYANESE AMBASSADOR DISCUSSES BORDER CONFLICT

FL021917 Havana Domestic Service in Spanish 1700 GMT 2 Jun 81

[Text] Cecil Stanley Pilgrim, ambassador of the Cooperative Republic of Guyana to Cuba, held a news conference in this capital on the Guyanese-Venezuelan border differences. In his statements to newsmen, Pilgrim recalled that in October 1979 a court of arbitration had defined the present border between Venezuela and Guyana.

Pilgrim added that the commissioners of the United Kingdom and Venezuela had signed a border treaty in 1905. This treaty was accepted by the Guyanese and Venezuelan peoples and the international community. Since 1962, he said, a major campaign has been conducted against Guyana, which is based on political and economic reasons and which is continuously being encouraged by the dailies in Caracas.

In 1970, Guyana's efforts aimed at finding a peaceful solution to the problem made the signing of the Port-of-Spain protocol possible, but at the present time anti-Guyanese actions have taken place in the neighboring country. Now Venezuela refuses to renew the protocol.

COLOMBIA

ARMY ARRESTS PERSONS SUPPORTING GUERRILLAS

PA301328 Bogota Cadena Radial Super in Spanish 2330 GMT 29 May 81

[Text] Medellin--After several operations, agents of the 4th Army Brigade intelligence service captured a total of 43 persons who presumably are members of a group supporting the guerrillas and who were operating in the departments of Antioquia and Choco, military sources reported.

Authorities also seized a large quantity of marijuana ready to be put on the market and arms intended for the guerrillas. The 43 pesons were taken to Medellin to the headquarters of the 4th Brigade.

SURINAME

NEW CUBAN AMBASSADOR ON RELATIONS, IMPERIALISM

Cuba To Cooperate

FL231734 Bridgetown CANA in English 1658 GMT 23 May 81

[Text] Paramaribo, Suriname, 23 May (CANA)--Cuba's new ambassador to Suriname, Ivan Martinez, has said here that his country is willing to cooperate with this Dutch-speaking republic in several areas. Mr Martinez, in an interview, spoke of the ties which have traditionally existed between the two states which have shared a common history.

The envoy, who is based in neighbouring Guyana, presented his credentials this week to President Henck Chin a Sen. Areas mentioned by Mr Martinez where there could be mutual exchanges included: education, culture, sports, agriculture, sugar, bauxite and aluminum.

Mr Martinez's accreditation has come in the wake of a policy declaration by Suriname's military rulers to take the country onto a socialist parth.

TV Appearance

FL281510 Bridgetown CANA in English 1457 GMT 28 May 81

[Text] Paramaribo, Suriname, 28 May (CANA)--Cuba's recently (?appointed) ambassador to Suriname, Ivan Cesar Martinez [words indistinct] that political trends in the Caribbean were on the side of "progressive forces".

"The people of the region have come to understand what is independence, freedom, development, democracy and progress", he said on a Suriname television government program.

At the same time Martinez lashed out at "certain big countries" attempting to use big stick methods in the Caribbean region. He predicted failure for such methods which he said include a stepping up of the cold war.

The people of the Caribbean want a better life, Martinez said. "They have a bad history of colonialism and imperialism, they want to end that period and should be allowed to do so", he added. His government was against the use of any big stick methods of the peoples of the Caribbean.

Martinez presented his credentials here 22 May and his appearance on television is seen here as an indication of closer relations developing between Cuba and Suriname.

Over last year ambassadors from at least three Western countries, including (?the United States) presented their credentials here but Martinez is the only one to have appeared on the Government Information Service TV program. The program also played back cultural performances given here last February by a Cuban group which participated in celebrations marking the first anniversary of the Suriname revolution.

CONTRACT ON SALE OF LUMBER SIGNED WITH CUBA

FL291101 Bridgetown CANA in English 1041 GMT 29 May 81

[Text] Paramaribo, Suriname, 29 May (CANA)--The Suriname lumber company "Bruynzeel" is to sign a contract for 500,000 dollars (U.S.) next month in Havana for the supply of timber, the second sale between the company and Cuba this year, following one in January for a similar amount. Cuba and Suriname had been trading in lumber even before they established diplomatic relations in 1979. Cuba purchases railway sleepers. In addition, when Suriname suffered sugar shortfalls for the domestic market, Cuba supplied the republic.

TALKS ON GUYANESE MINISTERS' MEETING CONTINUE

FL282228 Bridgetown CANA in English 2217 GMT 28 May 81

[Excerpts] Paramaribo, Suriname, 28 May (CANA)--Officials from Suriname and Guyana are to meet again shortly to continue smoothing the way to a meeting of foreign ministers, government sources here have said. The most recent meeting of the officials took place in Georgetown, the Guyana capital, on 5-7 May, and the sources said it was felt that the follow-up here will finalize the arrangements for talks between Foreign Ministers Harvey Naarandorp and Rashleigh Jackson.

Major issues which have tended to sour relations between the two South American neighbors are a Suriname claim to a large triangle of Guyanese territory and illegal fishing by Guyanese in Surinamese territorial waters.

The sources here said that the Georgetown exchanges earlier this month had been conducted in a cordial and friendly atmosphere.

Suriname is hoping that the ministerial meeting can be programmed for some time in July. The sources said also that the meeting would be crucial to this country's plans for establishing a big hydroelectric facility in western Suriname.

Suriname needs Guyana sanction indirectly in the development of the Kabalebo hydropower project in order to insure access to World Bank involvement and foreign financing. The sources here explained that creation of the project lake would change the flow and volume in some natural border streams, hence it was crucial to have a Guyana declaration of agreement.

IRAQ ASKS MUSLIMS TO SUPPORT ITS CAUSE

FL251137 Bridgetown CANA in English 2137 GMT 23 May 81

[Text] Paramaribo, Suriname, 23 May (CANA)--Iraq has mounted a campaign among the Muslim community here to win support for its struggle with Iran, and has promised to consider establishing a diplomatic mission in the country. Iraq's deputy ambassador to Guyana, Shaludin Abid told a press conference at the end of his 3-day visit that Iraq wanted Abid to give all Muslims as well as Arab nationals living here a clear picture of its position in the war with Iran.

The Middle East diplomat charged that the Iranian spiritual leader Ayatollah Khomeyni had lost support in his country and had attacked Iraq in order to mobilize support for himself. "There is no unity among the people of Iran and therefore developments in that country are at a standstill," Mr Abid said. On the qeustion of establishing a diplomatic mission here, Mr Abid said it was being seriously considered by his government. Iraq and Suriname established diplomatic relations at non-resident level in 1979.